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Value in Capitalist Society

Rethinking Marx's Criticism
of Capitalism

Paul Cobben

Value in Capitalist Society

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Rethinking Marx's Criticism of Capitalism

By

Paul Cobben



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Preface

In the *Economic-Philosophical Manuscripts*, the young Marx expresses his admiration for the young Hegel: “Das Grosse an der Hegelschen *Phänomenologie* und ihren Endresultat—der Dialektik der Negativität als dem bewegenden und erzeugenden Prinzip—ist also einmal, dass Hegel die Selbsterzeugung des Menschen als einem Prozess fasst, die Vergegenständlichung als Entgegenständlichung, als Entäusserung und als Aufhebung der Entäusserung; das er also das Wesen der *Arbeit* fasst und den gegenständlichen Menschen, wahren, weil wirklichen Menschen als Resultat seiner *eigenen Arbeit* begreift” (PM, p. 113).¹ This admiration, however, is immediately tied to a fundamental criticism of Hegel: “Die Arbeit, welche Hegel allein kennt und anerkennt, ist die *abstrakt geistige*” (PM, p. 114).² According to Marx, Hegel understands reality in the form of alienation. Abstract, spiritual labor is the alienated form of real, materialist labor.

In this book, I will show that Marx’s position is unchanged in *Capital*. The logical structure of Marx’s analysis of the commodity corresponds to the logical structure of the development of substance in the *Phenomenology of Spirit*.

Marx’s analysis of the commodity results in his conception of Capital as substance in the form of alienation. While Hegel claims that substance can be understood as the realization of freedom, Marx shows this freedom to be alienated labor: abstract labor, which Marx identifies as the capitalist conception of value. Mediated by a comparison between the *Phenomenology of Spirit* and the *Philosophy of Right*, I clarify why Marx’s so-called materialist criticism of Hegel can be conceived of as an immanent criticism of Hegel: Marx’s criticism explicates that the realization of freedom in the *Philosophy of Right* contradicts Hegel’s basic point of departure. The adequate realization of freedom not only leads to an alternative (non-alienated) conception of value, but also explains why this conception of value is fully compatible with the free market.

1 “The outstanding achievement of Hegel’s *Phänomenologie* and of its final outcome, the dialectic of negativity as the moving and generating principle, is thus first that Hegel conceives the self-creation of man as a process, conceives objectification as loss of the object, as alienation and as transcendence of this alienation; that he thus grasps the essence of *labour* and comprehends objective man—true, because real man—as the outcome of man’s *own labour*.”

2 “The only labour which Hegel knows and recognizes is *abstractly mental labour*.”

Introduction

Marx's analysis of the capitalist society starts with the following observation: "Der Reichtum der Gesellschaften, in welchen kapitalistische Produktionsweise herrscht, erscheint als eine 'ungeheure Warensammlung', die einzelne Ware als seine Elementarform. Unsere Untersuchung beginnt daher mit der Analyse der Ware."³ This observation does not seem to have lost any validity. When we examine contemporary society, including its globalized economy, we can still conclude that its wealth manifests itself as a huge display of commodities—as a global market in which an endless amount of commodities and services are supplied. In fact, Marx's point of departure seems to be realized to an even more extreme extent, not only because the amount of commodities, in comparison with Marx's era, has quantitatively and qualitatively exploded, but also because the appearance of commodities has acquired a meaning which Marx could not have predicted: the citizens of our society are bombarded on a daily basis by advertising through which commodities are recommended. Via the internet, the admission to the global market has become a concrete reality. Global supply can be discovered in a few simple steps; impediments to purchasing internationally are slowly being removed.

Although, even in our time, Marx's point of departure may not be surprising, this does not mean that the methodological consequences he draws from this starting point are self-evident. Why does an investigation of the capitalist society have to start with an analysis of the commodity? Is the argument that the *wealth* of the capitalist society manifests itself in the commodity convincing? The question must at least be raised as to which methodological presuppositions would make this argument sufficient. Is Marx a kind of empiricist, who thinks that the essence of capitalist society can be deduced from its immediate appearance, namely the commodity? What are the grounds, however, for considering the commodity as the immediate appearance of capitalist society? Is it self-evident that the wealth of the capitalist society appears in commodities, as Marx states? Can the capitalist society fundamentally be characterized as a society in which the production of wealth is central?

To understand Marx, it is firstly important to acknowledge that he situates himself in the tradition of Adam Smith. The sub-title of *Capital* is: *Kritik der*

3 Karl Marx, *Das Kapital*, Dietz Verlag, Berlin, 1969, p. 49. "The wealth of those societies in which capitalist mode of production prevails, presents itself as 'an immense accumulation of commodities,' its unit being a single commodity. Our investigation must therefore begin with the analysis of a commodity."

politischen Ökonomie. In particular, Marx enters into a critical debate with Adam Smith's political economy.⁴ The latter was not an empiricist, but rather tried to discover the laws of the free market: in his opinion, the value of commodities in particular is determined by the laws of supply and demand.⁵ The value of commodities—their *exchange value*—is based on an intersubjective comparison of their usefulness—their *use value*. Moreover, Smith tried to give this intersubjective value comparison an objective foundation with his *labor theory of value*: the value of the commodity is ultimately based on the amount of labor that is objectified in the commodity.⁶

In the first chapter of *Capital*, Marx analyzes the twofold character of the commodity: the commodity has *use value* as well as *exchange value*.⁷ In contrast to Adam Smith, however, he argues that the twofold character of the commodity cannot be determined under the conditions of the capitalist society without contradiction: the exchange value and the use value of the commodity contradict one another. The observation of this contradiction, however, is not Marx's particular discovery. It can already be found in the *Philosophy of Right* of Hegel, Marx's teacher.

In his *Philosophy of Right*, Hegel also discusses Adam Smith's conception of the free market and makes his reception of the free market, as the *System der Bedürfnisse*, a moment of the rule of law, his concept of Rechtsstaat. He does not, however, develop the free market by making the analysis of the commodity his point of departure, but rather by starting from the owner of the commodity, the free person. Therefore, the development of *Capital* inverts the development of the *Philosophy of Right*. Marx begins with the commodity and deduces from it the relations between persons in the market; Hegel begins

4 Of course, this discussion already starts in the *Economic-philosophical Manuscripts*. I completely agree with Michael Quante that "there is a strong continuity in the philosophical thought of Karl Marx, making visible an essential relation between his *Economic-philosophical Manuscripts* and his later writings." (2013, 713).

5 "The market price of every particular commodity is regulated by the proportion between the quantity which is actually brought to market, and the demand of those who are willing to pay the natural price of the commodity, or the whole value of the rent, labour, and profit, which must be paid in order to bring it thither." (Smith, 1937, p. 57).

6 "The value of any commodity, therefore, to the person who possesses it, and who means not to use or consume it himself, but to exchange it for other commodities, is equal to the quantity of labour which enables him to purchase or command. Labour, therefore, is the real measure of the exchangeable value of all commodities." (Smith, 1937, p. 30).

7 "Ursprünglich erschien uns die Ware als ein Zweischlächtiges, Gebrauchswert und Tauschwert." *Das Kapital*, p. 56. ["At first sight a commodity presented itself to us as a complex of two things—use value and exchange value."]

with the person and deduces from it the relations between the commodities. What is the reason for this inversion? Marx in fact borrows two arguments for this inversion from Hegel himself. In the first place, as noted above, the contradiction between use value and exchange value is already acknowledged by Hegel. Hegel remarks: "Es kommt hierin zum Vorschein, dass bei dem *Übermasse des Reichtums* die bürgerliche Gesellschaft *nicht reich genug ist*, d.h. an dem ihr eigentümlichen Vermögen nicht genug besitzt, dem *Übermasse der Armut und der Erzeugung des Pöbels zu steuern*." (GrI. § 245, Anm.).⁸ This seems a curious observation. Why would a society which produces an "excess of wealth", manifesting itself, indeed, in an "ungeheure Warensammlung", not be wealthy enough to share this wealth with all? In Hegel's analysis, this undoubtedly has to do with the principles of the free market. On the one hand, there is the exchange process in the market, in which free persons exchange commodities for commodities. Since the commodities which are exchanged have the same value in principle, nobody seems to become richer or poorer by this exchange. On the other hand, there is the production process whereby commodities are produced which are exchanged in the market. The pressure of competition in the market demands that the production of commodities is as efficient as possible. This pressure is the incentive for technological innovation. In this regard, Hegel remarks: "Die Abstraktion des Produzierens macht das Arbeiten ferner immermehr *mechanisch* und damit am Ende fähig, dass der Mensch davon wegtreten und an seine Stelle die *Machine* eintreten lassen kann." (GrI. § 198).⁹ As a result of this mechanization, wage labor is excluded from the labor process. After all, wage labor is labor which can be replaced by machines. This implies the gradual diminishing of the exchange value of the commodity of labor power in the free market. After all, the demand for this commodity will be outstripped by the supply.

If the exchange value of the commodity of labor power can be lowered to the extent that it is insufficient to acquire the commodities which are necessary for survival, Hegel's conception of the free market must be somehow incorrect. The free and equal persons for whom the exchange of commodities is a free act are the point of departure for his conception. Only if exchange is a free act are persons able to freely weigh one use value against other use values supplied by the market. Whoever owns only his labor power, and who

8 "It hence becomes apparent that despite an excess of wealth civil society is not rich enough, i.e. its own resources are insufficient to check excessive poverty and the creation of a penurious rabble." (§ 245).

9 "Further, the abstraction of one man's production from another's makes work more and more mechanical, until finally man is able to step aside and install machines in his place." (§ 198).

therefore has to accept every exchange in order to survive, has given up his freedom. This is all the more valid for those who cannot survive because they do not succeed in exchanging a commodity for means which are sufficient for survival. Insofar as persons cannot afford to enter into a free exchange, the free market cannot reproduce itself as institution. In this case, the notion of free and equal persons appears to be a fiction which can only be maintained for those who succeed in the market.

The preceding exposition, however, does not make clear why the contradiction in Hegel's conception of the free market (the freedom of the person is transformed into the lack of freedom for a rabble of paupers, or *Pöbel*) has anything to do with the contradiction Marx wishes to thematize: the contradiction which follows from the twofold character of the commodity. While it is true that Hegel accepts Adam Smith's intersubjective determination of exchange value, he rejects the idea that exchange value can be based upon the labor theory of value. This is clarified when he makes the distinction between wage (*Lohn*) and fee (*Honorar*): "*Lohnvertrag* (locatio operae), Veräusserung meines *Produzierens* oder *Dienstleistens*, insofern es nämlich veräusserlicht ist, auf eine beschränkte Zeit oder nach sonst einer Beschränkung." (s. § 67).

"Verwandt ist hiemit das *Mandat* und andere Verträge, wo die Leistung auf Charakter und Zutrauen oder auf höheren Talenten beruht und eine *Inkommensurabilität* des Geleisteten gegen einen äusseren Wert (der hier auch nicht *Lohn*, sondern *Honorar* heisst) eintritt." (Grl. § 80).¹⁰ This makes it clear that it makes no sense, according to Hegel, and insofar as labor has an intellectual component, to make the exchange value of the commodity of labor power a function of labor time.

Nevertheless, Hegel's considerations about wages, that is, the exchange value of unskilled labor, seem to have a tendency which, as will become clear, is related to the labor theory of value developed by Marx and Adam Smith. Insofar as wage labor can be replaced by machines, the exchange value of wage labor can be equated with the exchange value of the replacing machine. Since the machine's 'labor' consists of the mechanical function which manifests itself in time, it seems that it is also possible to equate wage labor with mechanical

10 "Contract for wages (*locatio operae*)—alienation of my productive capacity or my services so far, that is, as these are alienable, the alienation being restricted in time or in some other way." (see Paragraph 67).

"Counsel's acceptance of a brief is akin to this, and so are other contracts whose fulfillment depends on character, good faith, or superior gifts, and where an incommensurability arises between the services rendered and a value in terms of cash. (In such cases the cash payment is called not 'wages' but 'honorarium')." (§ 80).

forces which can meaningfully be measured in units of time. Marx states: “Alle Arbeit ist einerseits Verausgabung menschlicher Arbeitskraft im physiologischen Sinn, und in dieser Eigenschaft gleicher menschlicher oder abstrakte menschlicher Arbeit bildet sie den Warenwert.”¹¹

Although this relation to the labor theory of value in no way justifies the conclusion that Hegel accepts Adam Smith’s labor theory of value, it nevertheless allows Marx to borrow from it the argument that the free market, at least for some, results in the inversion which he indicates with the concept of *alienation*: although the point of departure of the free market consists of persons who are free to enter or not to enter into an exchange contract with other persons, the mechanisms of the free market have the result that some of these free persons, the wage laborers, are reduced to things. They have no more exchange value than the machines by which they can be replaced.

In the light of philosophical tradition, Marx’s moral indignation with regard to this alienation is not surprising. After all, the transformation of the wage laborers into things is a violation of what Kant calls the ultimate moral law: the categorical imperative. One of the formulations of this categorical imperative states that the free person may never be unilaterally reduced to a thing.¹² In some ways, Hegel also observes this violation when he remarks that civil society is not wealthy enough for all. He offers, however, an extremely unsatisfying solution. Those who are superfluous, in other words, those for whom civil society is not wealthy enough, must emigrate and establish a new society elsewhere.¹³ While it is true that this solution corresponds to what really happened in Hegel’s time, it is unacceptable as a fundamental solution. It presupposes the existence of land which belongs to no one and which can be claimed as an original possession unproblematically. The fundamental problem is not the question as to whether it is realistic to assume that this assumption is actually

11 Karl Marx, *Das Kapital*, p. 61. [“On the one hand all labour is, speaking physiologically, an expenditure of human labour power, and in its character of identical abstract human labour, it creates and forms the value of commodities.”]

12 “Der praktische Imperativ wird also folgender sein: *Handle so, dass du die Menschheit, sowohl in deiner Person als in der Person eines jeden anderen, jederzeit zugleich als Zweck, niemals bloss als Mittel brauchst.*” (I.Kant, *Grundlegung zur Metaphysik der Sitten*, Hamburg: Felix Meiner Verlag, 1965, p. 52).

13 GrI. § 248: “Dieser erweiterte Zusammenhang bietet auch das Mittel der *Kolonisation*, zu welcher—einer sporadischen oder systematischen—die ausgebildete bürgerliche Gesellschaft getrieben wird, und wodurch sie Teils einem Teil ihrer Bevölkerung in einem neuen Boden die Rückkehr zum Familienprinzip, teils sich selbst damit einen neuen Bedarf und Feld ihres Arbeitsfleisses verschafft.”

fulfilled (this is a matter of contingency),¹⁴ but rather the implication that societies with a free market cannot be understood as sustainable because of these internal dynamics. After all, the free market would then necessarily imply that new societies have to be established interminably. This is incompatible with the finitude of earth.

If the mechanisms of the free market result in the violation of the ultimate moral demand—if it reduces persons to things—it may not be surprising that this is central to Marx's analysis of capitalist society. It also cannot be surprising that Marx feels himself compelled to make a fundamental criticism of Hegel. Hegel's observation that civil society is not "wealthy enough for all" does no justice to his own point of departure, namely the absolute value of the person.¹⁵ However, it is still not clear why this criticism should lead to the inversion of Hegel. While Hegel begins with the free person and from this develops the idea that the person realizes his freedom by making the object his property, Marx begins with the object (the commodity) and hopes to deduce, from this starting point, the adequate development of the person's freedom. This inversion only becomes understandable if one acknowledges that Marx, in contrast to Hegel, endorses Adam Smith's labor theory of value. As Marx starts with the analysis of the commodity, his point of departure is a situation of total alienation, a situation in which the person is totally reduced to a thing. This assumption can only be justified on the basis of the labor theory of value in which the exchange value of the commodity is ultimately understood as objectified labor, as a quantum of 'abstract labor'. Based on this assumption, the free person has totally objectified himself in the product of labor (resulting in total alienation). Therefore, Marx can hope that an adequate analysis of the product of labor, the commodity, will lead to an adequate insight into the concrete totality of capitalist society.

Marx, however, can also borrow a second argument from Hegel in order to show that it makes sense to start *Capital* with an inversion of Hegel. It is possible to find such an argument. Even if one assumes that the free person is totally objectified in the commodity (implying that the commodity implicitly encloses the concrete totality, albeit in an alienated form), it is still not clear how this alienation could be overcome. Why should the complete development of the alienated totality lead to the sublation of alienation and to the

14 Of course, this assumption was problematic even in Hegel's time: the land of America and Australia, for example, was already inhabited by Indians and Aborigines.

15 In § 36 of the *Philosophy of Right* Hegel gives his version of the categorical imperative: "*sei eine Person und respektiere die anderen als Personen.*" See my article "Die Person als Selbstzweck" (in press).

insight into a concrete totality which is not alienated? To elucidate this kind of reasoning, Marx could appeal to Hegel's *Phenomenology of Spirit*. This book starts with *sense-certainty*, in which consciousness is related to the world of given things. The systematic development of this relation leads to an inversion—to a world in which it is not things that are central, but rather free self-consciousness.

We will see that Marx's systematic development of the commodity undoubtedly appeals to the reasoning that Hegel develops in the *Phenomenology of Spirit*.¹⁶ Central to this development is Hegel's reception of the Kantian Copernican turn. In Hegel, this turn also gets a practical meaning and is ultimately related to the freedom and equality of the French Revolution. Thematically, the inversion which is performed in the *Phenomenology of Spirit* is related to the question as to whether heteronomy and autonomy can be conceived of in an internal unity. This central problem of modern European thinking, the philosophy of Kant and Hegel, is also at stake in Marx's analysis of the twofold character of the commodity. It will become evident that the twofold character of the commodity, as the unity of use value and exchange value, is a way in which Marx thematizes the relation between autonomy and heteronomy. The contradiction between exchange value and use value reflects the contradiction between autonomy and the free market. Marx's thesis that true autonomy is incompatible with the free market comes down to the thesis that the sustainable society is inconceivable as long as the free market exists. We will investigate whether this thesis is defensible.

In Chapter 1 (Marx's analysis of the commodity and the *Phenomenology of Spirit*) I show that Marx's analysis of the commodity can be considered the *materialistic* version of the development of the *Consciousness* and *Self-Consciousness* chapters of the *Phenomenology of Spirit*. While Hegel gives his version of the Kantian Copernican turn in the *Consciousness* chapter, he elaborates on this in the *Self-Consciousness* chapter by explaining that this theoretical turn presupposes a Copernican turn in the practical domain. Free, theoretical consciousness is the result of a cultural process of education. Analogously, Marx discusses a materialistic version of the Copernican turn: the free person who is related to a world which he understands as his own labor-product. However, the entirely theoretical relations of the market presuppose a Copernican turn in the practical relations of the production process. The freedom of the free person is the result of a historical process of education—the

16 G.W.F. Hegel, *Die Phänomenologie des Geistes*, Meiner Verlag, Hamburg 1999. G.W.F. Hegel, *Phenomenology of Spirit*, translated by A.V. Miller with analysis of the text and foreword by J.N. Findlay, Oxford University Press 1977.

ongoing process of the division of labor, leading to its highest stage, namely the separation of intellectual and manual labor.

In Chapter 2 (The *Realm of Culture* and the historical process in which the proletariat becomes self-aware), the development of the *Realm of Culture* (cf. the *Phenomenology of Spirit*) is compared to the process in which the proletariat becomes self-aware. The *Realm of Culture* historically exemplifies the cultural process of education and results in the free and equal persons of the French revolution. The process in which the proletariat becomes self-aware can be considered the materialistic version of the development of the *Realm of Culture* and results in the proletarian revolution. In this revolution, the proletariat has understood the ideological character of free and equal persons. Therefore, the proletariat does not attempt to realize alienated essence (abstract labor which is ideologically expressed as the freedom and equality of the person), but his non-alienated essence, that is, labor which is not abstracted from all qualities. This is only possible under the materialistic condition that the separation between intellectual and manual labor is overcome. In other words, the realization of non-alienated essence is incompatible with the free market.

Chapter 3 (Marx's analysis of the commodity and Hegel's *Grundlinien der Philosophie des Rechts*) discusses the relation between Hegel's *Phenomenology of Spirit* and his *Philosophy of Right*. The *Consciousness* chapter and the *Self-Consciousness* chapter of the *Phenomenology of Spirit* return in the *Philosophy of Right* in the form of the *Abstract Right* chapter and the *Morality* chapter. The second moment of *Abstract Right* and the second moment of *Morality* have their real synthesis in the *System of Needs*. Moreover, the *Realm of Culture* has its counterpart in the *System of Needs*. This means that not only the *Phenomenology of Spirit*, but also the *Philosophy of Right* can be compared to Marx's development of the commodity. The systematic development of the realization of the free person is interpreted by Marx as the systematic development of an alienated essence: abstract labor. The *Philosophy of Right* explains better than the *Phenomenology of Spirit* why Marx strives for a materialistic reversal of Hegelian thinking. Although Hegel starts from the absolute value of the free person, he concludes at the level of civil society that civil society is not wealthy enough for all persons. Obviously the free person is not the absolute essence in reality, but only in appearance. Through his materialistic interpretation of the free person as abstract labor, Marx tries to explain this contradiction between essence and appearance.

Chapter 4 (Hegel's determination of value at the level of *Abstract Right* in the light of Marx's criticism) analyzes Hegel's conception of value at the level of *Abstract Right* to answer the question as to whether this conception can be

made responsible for an ideological interpretation of reality. The conclusion is drawn that Hegel's conception of value is completely different from Marx's labor theory of value. Hegel's conception of freedom follows from the person's free relation to the commodity. While it is true that Marx interprets this conception of freedom as ideological, namely as formal abstraction from the qualitative processes in nature, it is precisely this conception of freedom that is ideological and that has nothing to do with Hegel's approach. Therefore, alienation in capitalist society cannot be reduced to Hegel's conception of value and, more fundamentally, to his conception of freedom. Alienation in Hegel rather seems to be grounded in his interpretation of the free market.

In Chapter 5 (The *System of Needs* in the light of Marx's criticism) I investigate whether Hegel's interpretation of the free market as the *System of Needs* can explain Marx's analysis of Capitalism. The conclusion is drawn that Hegel's conception of the *System of Needs* indeed underlies Marx's conception of alienation. Hegel also distinguishes between manual and intellectual labor. Manual labor in the Hegelian sense corresponds to mechanical labor in the Marxist sense. Since manual labor can ultimately be replaced by machines, the implication is not only that manual labor can be reduced to a thing (the commodity of labor power), but also that it makes sense to measure manual labor in units of time. Insofar as Hegel thinks that civil society is not wealthy enough for all (rendering some manual laborers superfluous), he also acknowledges the alienation of the free market. In contrast to Marx, however, intellectual labor is not the alienated counterpart of manual labor for Hegel, but rather a form of labor in which alienation is overcome. Precisely because the alienation of manual labor separates labor from the production process, it lays the ground for the free relation between labor and the production process at the level of the corporation. In the corporation, the intellectual laborer (in other words, the qualified laborer) is reunified with the production process. The reunification is based not on a contract which is merely formal, but on a contract which is really free. This contract is based on insight into the specific qualities of the workers and the specific worth they have for the activities of the corporation. In the corporation, however, alienation is only partially overcome. On the one hand, some laborers remain superfluous, and, on the other hand, the corporations refer to a specific conception of the good life. Therefore, the freedom of the contract remains embedded in a specific tradition.

In Chapter 6 (Wage Labor and the Corporation: obstacles for the free market?), it is firstly explained that the free market is not necessarily linked with wage labor in the sense of Hegel and Marx. The introduction of a minimum wage will mean that wage labor in the strict sense will be replaced by machines. Moreover, wage labor is not the source of surplus value. It is rather institutionalized

scientific research, resulting in ongoing technological innovation, which guarantees the production of surplus value. Nevertheless, Hegel rightly argues that the alienation of wage labor is a necessary condition to understand the labor process as a moment of the realization of freedom at the level of the corporation. Secondly, therefore, this chapter discusses the manner in which modern companies can be understood as institutions in the service of the realization of freedom. All the necessary qualifications that imply that corporations can be conceived of as institutions in which freedom is realized can also be assigned to modern companies. The only difference is that the moment of alienation is an integral part of the modern company itself and is not reserved for another institution (in *casu*: wage labor). This does not mean, however, that modern companies can already be understood as institutions in which freedom is adequately realized. This is only possible if a problem is solved which is also raised with respect to corporations. Both corporations and modern companies presuppose a conception of the good life given by tradition (although this tradition is made dynamic by technological innovation). The problem is how to conceive of the institutions which make it possible to relate to tradition as such, in other words, how to conceive of a free relation to tradition.

In Chapter 7 (Capital as community of value), the reality of Capital is understood as a multitude of companies which produce use values. As producers of use values, companies belong to a specific tradition. These use values correspond to a specific interpretation of the good life. At the same time, however, the company is reconstructed as a community of value (structured according to the model of the lord/bondsman relation) in which employees are subject to a process of education which enables them to freely relate to tradition. This process of education has two moments. In the negative moment, employees learn to emancipate themselves from traditional content. This is the process of education in which employees as real individuals are transformed into free and equal persons. In the positive moment, employees learn to integrate technological innovations into the process of production. This can result in new use values which can only be accepted if the interpretation of the good life is revised.

Chapter 8 (The modern society and the ongoing revision of the good life) discusses the question as to how the modern company can be understood as an institution in which freedom is realized. The companies of a free society produce the commodities which correspond to the use values of a free interpretation of the good life. The problem is how to combine the mechanisms of the free market with the freedom to interpret the good life. As players in the free market, companies continuously redevelop their products and hope that these innovative products will be accepted by the demand of the market. This

acceptance, however, is only possible if the new products cohere with the prevailing conception of the good life. For some products, the conception of the good life must be revised. Since the conception of the good life is presupposed by the free market, the revised conception of the good life cannot itself be produced by the mechanisms of the market. The revision of the good life has to be executed by free citizens who are able to relate to the good life as such. Chapter 8 thematizes the manner in which participation in modern companies is the precondition for individuals becoming these self-conscious citizens via education.

Chapter 9 (Mediating Institutions between Market and State) investigates the manner in which self-conscious production can be understood at the level of the state, starting from self-conscious production at the level of the modern company. In order to conduct this investigation, an analysis is given of how the innovations generated by the market can be linked to a renewed interpretation of the good life. To this end, a potential new supply of use values corresponding to subjective needs must be self-consciously embedded in the encompassing framework of a renewed interpretation of the good life. This self-conscious embedding is mediated through the free choice of legal persons based on the opinion-forming of discourses in the public domain. To guarantee that this subjective opinion-forming can lead to collective decision-making in accordance with a sustainable society, institutional provisions are needed to regulate the procedures of decision-making.

In Chapter 10 (The identity of the sustainable state and the adequate determination of value) the institutional conditions under which the identity of the sustainable state can be guaranteed are investigated. Only under these conditions can value adequately be determined, namely as value in service of a sustainable conception of life. This identity could be understood as the so-called bio-based society. To this conception of society a criticism applies which is compatible with Marx's criticism of the free market. The determinedness of the bio-based society opposes the universal freedom of the persons. This criticism, however, seems to be overcome in the modern nation state which is self-consciously related to the production process. However, this solution is undermined by a kind of 'second order' Marxist argumentation: the particularity of the nation state contradicts the universality of the global market. Only an adequate international legal order has the potential to provide a solution to this problem. The basic features of this international legal order, which would allow the realization of the sustainable society, are discussed.

Marx's Analysis of the Commodity and the *Phenomenology of Spirit*

Introduction

In the introductory chapter, I suggested that Marx reverts in *Capital* to the *Phenomenology of Spirit*, a book he had already discussed extensively in the *Economic-Philosophical Manuscripts*. In this chapter, I shall elaborate on this thesis by showing that the methodological progress of the development of the commodity which Marx presents at the beginning of *Capital*, entirely mirrors the methodological structure of the first two chapters of the *Phenomenology of Spirit*, namely the chapters *Consciousness* and *Self-Consciousness*.

Sense-Certainty (*sinnliche Gewissheit*) and the 'ungeheure Warensammlung' as Point of Departure

Marx begins his investigation of the capitalist society with the analysis of the commodity because he thinks that this society immediately appears as a vast amount of commodities, a multitude of given things. This seems to correspond to the *Phenomenology of Spirit*, in which *Consciousness* is also related to an endless amount of things. Again, the immediate appearance of the world is as an endless multitude of things. Nevertheless, there is a difference. After all, the commodity is not only a thing, but also a product of labor. At the level of *Sense-Certainty*, Hegel does not specifically refer to products of labor, but rather to natural things. As an example, he mentions a tree. It will appear, however, that this distinction is irrelevant. On the one hand, the commodity is also only considered insofar as it is a natural thing (and, therefore, it is not important that it is also a product of labor) and, on the other hand, it will appear later on in his development of this idea that the immediately given thing is understood by Hegel too as a product of labor.

The *Consciousness* of *Sense-Certainty* has the subjective certitude that the given natural thing is something absolute—a 'true substance'. From the existence of objectively given things, it borrows its certitude that there is an objective reality in comparison to which it is itself completely insignificant. *Consciousness* itself is only a *tabula rasa* which observes the objectively given reality. The same is

true for the person in the capitalist society envisioned by Marx. This person is not the producer of the commodity, but rather the person who appears in the market and there encounters a huge multitude of commodities. The person also thinks that he has something to do with absolute things. Marx expresses this as the fetishism of the commodities.¹⁷ The commodities are the golden calf, the idol around which the persons are dancing. The unreflective certitude of *Sense-Certainty* and the certitude of the person of the market rest on an illusion. The given things are, of course, not absolute entities. This leads in both *Capital* and the *Phenomenology of Spirit* to the same object of investigation: what precisely are the conditions under which the given world can appear as absolute? In both cases, these conditions are developed in a strictly systematical way. What, however, does 'strictly systematical' mean? How necessary is this progress of development and from where does it borrow its criteria? Hegel's point of departure is the subjective certitude of consciousness, the conviction of consciousness that it makes sense to assume that an objective world exists. This consciousness is not an individual, but rather a construction—a construction which is designed to express the conviction that an objective world exists in as minimal a way as possible. One could say that Hegel deals with Ockham's razor here. Only those assumptions which are strictly necessary to articulate the conviction that an objective world exists may be introduced. On the one hand, this presupposes the assumption that the objective world is immediately given, and, on the other hand, that this being-immediately-giveness of the objective world is immediately clear to consciousness. Therefore, consciousness is understood as *tabula rasa*—as immediately open to an objectively given world.

This simple construction is more problematic than it may first appear, because it embraces a fundamental contradiction. A world is objective because it is what it is, in other words, it is independent from any relation which it has to consciousness. An objective world has to be understood as *substance*, as a being-in-itself which is not dependent on something external. Insofar as consciousness has knowledge of this world in itself, however, it has to be specifically

17 "Aber sobald er als Ware auftritt, verwandelt er sich in einem sinnlich übersinnliches Ding. Er steht nicht nur mit seinen Füßen auf dem Boden, sondern er stellt sich allen anderen Waren gegenüber auf den Kopf und entwickelt aus seinem Holzkopf Grillen, viel wunderlicher, als wenn er aus freien Stücken zu tanzen begänne." (*Das Kapital*, p. 85). ["But, as soon as it steps forth as a commodity, it is changed into something transcendent. It not only stands with its feet on the ground, but, in relation to all other commodities, it stands on its head, and evolves out of its wooden brain grotesque ideas, far more than 'table-turning' ever was."]

related to this world, especially as this world is sensually given. In that case, however, the knowledge of this world is mediated by the senses, in other words, it is known from a specific perspective. This would mean that this world is not known as world in itself. Therefore, there are two possibilities: either consciousness is indeed a *tabula rasa* which is completely open to the objective world, or this world is sensually given. Under the first option, it is no longer clear what could have been meant by consciousness. After all, it would coincide with the objectively given world, because each relation to it would damage the perception of this world as a world-in-itself. Under the second option there is room for consciousness (although it requires a narrower determination: it must be able to relate to a sensually given world), but, for the time being, it is not clear how it would be able to know the objectively given world as a world-in-itself. It is clear that Hegel chooses the second option when he characterizes consciousness as *Sense-Certainty*: consciousness has the subjective certitude of knowing the sensually given objective world. This means that consciousness must be able to identify the world as unity (without unity it would not be clear what it means to know an objective world). At the same time, Hegel thinks that the only unity which is immediately sensually given is the unity of the natural thing.

Now we have enough material to understand the methodological progress of Hegel's project. Consciousness has the subjective certitude of being immediately related to the objectively given sensual world. However, the unity to which it is related is not the unity of the objective world, but rather the unity of a natural thing. The unity of the natural thing is distinguished from the unity of the objective world. After all, the natural thing is not a thing-in-itself. The natural thing has no substantial identity, but is rather a relative identity which can only be determined in its differentiation from other natural things. Therefore, I could observe above that naturally given things are *evidently* not absolute entities. Hence, in the elaboration of the project, the conditions under which the natural thing can be understood as the appearance of an absolute being-in-itself must be mapped.

As Marx, in order to highlight the fetishized character of the commodity, calls the commodity a *sinnlich-übersinnliches* thing,¹⁸ it appears that his methodological approach is completely in line with Hegel. It is true that Marx does not speak about the subjective certitude of consciousness, but rather about the ideological consciousness of the free person in the market. But in this case too, the discrepancy between objective world and subjective conviction is at stake. It is precisely this discrepancy which Marx expresses in the determination

18 KI, p. 85. In (bad) translation: "something transcendent".

of the commodity as *sinnlich-übersinnlich*. On the one hand, the commodity is a natural thing, a sensually given unity, but, on the other hand, it is a metaphysical, *supra*-sensual thing: it is a substantial identity, an objectivity which dominates everything and which is served by the person as his idol. For ideological consciousness, the commodity is the objectively given world, the world which creates the dollar signs in his eyes and which totally dominates him. As a natural thing, the commodity participates in a huge collection of natural things—the mass of commodities. Marx systematically investigates the conditions under which this natural thing can appear as a divine power, as an absolute being in itself.

The Contradiction of Perception and the Contradiction of the Determination as Use Value

The immediately given natural thing cannot be determined as substance. The identity of natural things can only be determined in their differentiation from other natural things. Therefore, the identity of natural things depends on other natural things; the natural thing is not a thing in itself, it is not a substance. At the level of *Perception*, Hegel investigates the conditions under which the natural thing can nevertheless be determined as substance—not, this time in immediate relation to the thing, but rather in a relation in which a further reflection on the nature of the natural thing is integrated.

At the level of *Perception*, the immediately given natural thing is more specifically determined as the *thing of many properties*.¹⁹ After all, we cannot immediately determine the natural thing: we have knowledge of the thing because we perceive the properties of the thing. It is distinguished from other natural things by its specific properties. If we identify the natural thing by means of its properties, we have taken a closer reflective step. The identity of the natural thing is not immediately determined, but is rather determined in its differentiation from the identity of other natural things. Hegel asks himself whether the natural thing which is determined as a thing of many properties can be understood as substance.

In contrast to *Sense-Certainty*, *Perception* does not assume to have immediate knowledge of objective reality. This knowledge is mediated through the perception of *properties*. The question is, however, whether this cognitive criterion is sufficient to have knowledge of the objective reality, a reality which is in it-self, which can be accepted as a substantial one. Hegel concludes that this

19 PhdG, p. 71; PhoS, p. 67.

is not the case. To identify the *thing with many properties*, it is insufficient to perceive only properties. One needs a criterion to determine which properties belong to one thing and which to another. Only then it is possible to identify one thing in distinction from another. The problem is, however, that this criterion does not correspond to the cognitive criteria of *Perception*: the unity of the thing cannot be sensually perceived; the unity of the thing is not itself a sensual property. To clarify this with an example: we can have knowledge of a chair, because we can perceive the sensual properties of the chair. But we can only identify the properties we perceive as the properties of a chair if we already have the concept 'chair' at our disposal. Therefore, Hegel concludes that *Perception* cannot acquire objective knowledge. On the one hand, the knowledge of the thing of many properties is based on *objective* input, namely the perceived properties, but, on the other hand on *subjective* input, namely a conceptual unity which is linked to a specific language or a specific culture. A perceiver who is not familiar with the concept 'chair' cannot perceive a chair. In this sense, *Perception* has no cognition of objective reality.

Marx's first steps for developing the concept of a commodity completely correspond methodologically to the development of *Perception* in the *Phenomenology of Spirit*. For the ideological consciousness of the person in the market, the commodity is a fetish, a substance.²⁰ For the realistic analysis of the observer Marx, however, the commodity is a natural thing. Can the conditions under which a natural thing can appear as a substance be understood? To make this understandable, Marx elaborates on how the commodity as a natural thing appears for the person in the market: the commodity appears as *use value*.

"Die Ware ist zunächst ein äusserer Gegenstand, ein Ding, das durch seine Eigenschaften menschliche Bedürfnisse irgendeiner Art befriedigt" (p. 49).²¹ Just as in *Perception*, the natural thing is more closely specified as the thing of many properties. "Jedes solches Ding ist ein Ganzes vieler Eigenschaften...". (p. 49). However, something is noted about these properties that was not the case in *Perception*: these properties can be useful because they are able to satisfy human needs. The natural thing "kann daher nach verschiedenen Seiten nützlich sein". (p. 49).²² Finally Marx adds: "Die Nützlichkeit eines Dings macht es zum Gebrauchswert". (p. 50).²³

20 PhdG, p. 86/87; PhoS, p. 31.

21 "A commodity is, in the first place, an object outside us, a thing that by its properties satisfies human wants of some sort or another."

22 "It is an assemblage of many properties" and "may therefore be of use in various ways."

23 "The utility of a thing makes it a use value."

This last addition shows that, through the link between properties and usefulness, a problem comes to the fore which was discussed in *Perception*. By qualifying the commodity as use value, the many properties of the natural thing are encompassed into a unity. The many properties of the commodity have their unity in the commodity as use value. The commodity as use value is the Marxist equivalent of the thing of many properties. Again, the commodity as use value can be understood, impossibly, as a substantial unity. The unity which is known as use value consists, on the one hand, of an 'objective' input, namely the properties of the natural thing, and on the other hand, of a 'subjective' input, namely the way in which these properties are unified in a use value. The unity of the use value is not a property of the natural thing, but is rather linked to a specific culture: "Diese verschiedenen Seiten [der Nützlichkeit, p.c.] und daher die mannigfachen Gebrauchsweisen der Dinge zu entdecken ist geschichtliche Tat". (p. 49/50).²⁴

The Sublation of Perception in Understanding and of Use Value in Exchange Value

At the level of *Understanding*, the third part of the *Consciousness* chapter in the *Phenomenology of Spirit*, Hegel investigates the conditions under which the world of natural things can still be understood as a substantial unity. This is possible if the criterion for unifying the many properties into a unity is not borrowed from a subjective input, but is rather derived from objective reality itself. Here the concept of nature given by modern science seems to offer a solution.²⁵

For modern science, the objectively given reality is no longer a reality which consists of things with properties, but rather a reality which consists of an interplay of forces. An example of this interplay of forces can be borrowed from classical mechanics: the interplay of forces between two point masses. Gravitational force works between point masses. Under the influence of gravity, the point masses are involved in a certain movement, that is, their time and space coordinates are put into a certain relation to one another. These changing positions in time and space can be considered the equivalent of many properties. However, in contrast to many properties, these many positions do not need to be brought into a unity by an external (subjective) criterion,

²⁴ "To discover the various uses of things is the work of history."

²⁵ Cobben (2009), pp. 20–22.

because they can already be understood throughout as the appearance of an internal unity, namely gravity.

The world of natural appearances is interpreted by modern science as a world in which the natural laws appear as their *supra*-sensual essence. The internal unity of the law of nature and its appearance, however, still cannot be understood as a substantial unity. It is true that the law of nature which is formulated as a force brings many positions into unity, but because many laws of nature exist, this unity in its turn belongs to a multitude. Therefore, if the world of natural appearances can be understood as a substantial unity, then this will not be possible at the level of distinct laws of nature, but rather at the level of natural causality in general. It becomes possible to conceive of the natural world as a substantial unity not because of a specific law of nature, but rather because the world of natural appearances in general has a law structure.

In his consideration of the law structure of natural laws, Hegel concludes that consciousness can understand nature as a nature in which specific laws of nature become valid, if it has already understood nature in general as a law structured nature. Scientific knowledge is dependent on law hypotheses which are experimentally proven. This point of departure (namely that scientific knowledge is dependent on law hypotheses which are experimentally proven) is itself not the result of proving law hypotheses. In this way, Hegel formulates his version of the Copernican turn, which he refers to as the “tautological movement” of understanding (PhoS, 95):²⁶ consciousness always already presupposes the law structure of nature. It can only understand the law structure of nature, because it has itself posited this law structure in nature.

This insight makes clear that the attempt to understand the world of natural things as a substantial world has failed. By speaking about forces of nature and laws of nature, the attempt was made to bring together the multitude of the natural world in a unity which was borrowed from nature itself. In this attempt, however, consciousness is forced back into itself. The substantial unity it acknowledged in nature appeared to be posited in nature by itself. Therefore, the conclusion has to be drawn that if a substantial world can be known, this world cannot be observed one-sidedly in nature which appears as sensually given. From its relation to nature, consciousness is forced back into itself and, therefore, seems itself to rather be the candidate for a substantial reality. In its relation to nature, consciousness appears to be related to itself. Consciousness which in this self-relation has become self-consciousness²⁷ appears to be the only being-in-itself. Here it becomes clear what Hegel means when he states

²⁶ PhdG, p. 95.

²⁷ PhdG, p. 101; PhoS, p. 102.

that substance has to be understood as *subject*:²⁸ a substance cannot be conceived of as an externally observed world, but necessarily has a subject-structure, in other words, it has to be understood as self-relation.

When Marx, in *Capital*, executes the transition from use value to exchange value, he follows a train of thought which is borrowed from the development of *Understanding* in the *Phenomenology of Spirit*. In the commodity as use value the discovered natural properties are unified in a cultural unity. Marx raises the question as to the conditions under which the commodity can be understood as fetish. As in *Understanding*, he therefore looks for an objective criterion to unify the multitude of natural properties. As in *Understanding*, Marx looks for the solution in the form of a law to which all natural things are subjected. In this case, however, it is not the laws of nature that are under consideration, but rather the laws of the free market.

The commodities in the market do not only have use value, but also exchange value. The exchange value of commodities comes to the fore if the persons in the market exchange one use value for another. The exchange ratio of use values is an indication of their exchange value. Just as Hegel, at the level of *Understanding*, thematizes the dynamic relation between natural things as the *interplay of forces*, so Marx, in his analysis of exchange value, thematizes the dynamic relation between natural things. The dynamic exchange of use values takes the place of the interplay of forces. We will see, incidentally, that Hegel also relates the symmetrical relation between self-consciousnesses, which *in nuce* already anticipates the symmetrical relation between free persons, to the *interplay of forces*: "In dieser Bewegung (the symmetrical recognition between self-consciousnesses, p.c.) sehen wir sich den Prozess wiederholen, der sich als Spiel der Kräfte darstellte, aber im Bewusstsein." (PhdG, p. 110).²⁹ In contrast to the interplay of forces, the exchange of use values is not dominated by the laws of nature, but rather by the laws of the free market—the laws of supply and demand.

At first sight, it is not clear why the exchange of use values should be determined by a law. If two persons decide to exchange, this act seems to be based on the subjective comparison of the exchange value of the exchanged use values. The persons exchange use values for other use values because subjective utility for both exchange partners is augmented. Under the conditions of the free market, however, something more is going on. The use values are supplied in a general market. In this market, ideally, any supplied use value is compared

28 PhdG, p. 20; PhoS, p. 12.

29 "In this movement we see repeated the process which presented itself as the play of Forces, but repeated now in consciousness." (PhoS, 112).

to any other supplied use value. Exchange will be continued until the greatest possible utility is brought about for all participants (Pareto-optimum). In that case, the comparison of the exchange values does not seem to be accomplished wholly subjectively, but is rather mediated through an *objective* mechanism, namely the workings of the market.

To determine precisely which objective mechanism is at work in the market, Marx appeals to Adam Smith's labor theory of value.³⁰ His reasoning is as follows: because all use values in the market have a specific exchange value, they have something in common. They all represent a specific quantum of exchange value (or, expressed more succinctly, a specific quantum of value). But what precisely is this value and how can the value of a specific commodity be determined? In contrast to its use value, the exchange value of the commodity cannot be related to its physical qualities. Commodities have different physical properties, but they nonetheless express a specific quantity of the same exchange value. Therefore, it is not possible to sensually perceive value. Marx deduces his answer when he observes that all commodities nevertheless have something in common which is related to the physical world: they are all products of labor. It is true that there are different kinds of labor—the production of a computer asks for a different kind of labor than the production of a table. However, according to Marx's reasoning, we can abstract from the specific qualities of labor (from the specific qualities of *concrete labor*) and conclude that all commodities are the product of *abstract labor*.³¹ The more abstract the labor that is objectified in the commodity, the higher its value. According to Marx, time is the measure for abstract labor: more abstract labor is objectified in the commodity if more labor time was needed for its production.

Later we will analyze more precisely what Marx means with his concept of abstract labor. For the moment, however, we are already able to make a comparison to the development of *Understanding*.

In the general exchange of commodities in the free market, Marx's alternative for the interplay of forces, the exchange values appear as an expression of a *supra*-sensual essence, namely abstract labor. The law of supply and demand of the market means that exchange values manifest themselves as a specific quantum of a general, abstract essence. The law of commodities is equivalent to *Understanding's* law of nature. Moreover, this law of commodities allows for the accomplishment of the equivalent of the Kantian Copernican turn. After

30 *Das Kapital* 1, p. 61, footnote 16.

31 "Diese zweischlächtige Natur der in der Ware enthaltene Arbeit ist zuerst von mir kritisch nachgewiesen worden." (*Kapital* 1, p.56) ["I was the first to point out and to examine critically this twofold nature of the labour contained in commodities."]

all, the value of commodities confronts the persons in the market with their own essence: abstract labor.

The free person was related to the commodity as fetish—as an external substance. If the essence of the commodity is identified as abstract labor, the free person is forced back into himself. It then appears that the substantial reality does not consist of commodities, but is rather the free person, who is, in his relation to the commodity, related to himself. The freedom of the free person is located in his power of abstract labor. Abstract labor is free labor: labor which is indifferent to the specific quality of concrete labor.

Nevertheless, this turn does not mean that the commodity has lost its fetishized character for Marx. If the person's freedom realizes itself in abstract labor, it then appears that this freedom has little to do with the autonomous, free person in the liberal free market (or with the free person of Hegel's *System der Bedürfnisse*). The freedom of the person which is expressed in abstract labor is ideological freedom, freedom which is only appearance. The person does not dominate the laws of the market, but is rather dominated by them. The so-called autonomy of the free person is rather the freedom of the person who is alienated from his physical needs. The free market brings about the separation between mind and body. The only freedom of the person at the market seems to be a negative abstraction: the person abstracts from his real relation to nature.

The Transition from Consciousness to Self-Consciousness and from Market to Private Domain

At the end of the development of *Understanding*, consciousness is transformed into the pure self-relation of self-consciousness. At this stage, what Hegel announces in the preface of the *Phenomenology of Spirit* is already discussed: substance has to be conceived of as subject. If an adequate conception of substance is possible, it must have a subject-structure. In its pureness and in its structure of self-relation, pure self-consciousness can be compared to the *cogito* of Descartes. For Descartes, too, the *cogito* is a substance, namely *res cogitans*. Subsequently, however, Hegel criticizes Descartes. Hegel has already integrated Spinoza's criticism of Descartes: the concept of substance cannot be conceptualized as a multitude. If Descartes distinguishes the *res cogitans* from the *res extensa*, the substance of the natural reality, the conclusion has to be drawn that *res cogitans* is still not an adequate conception of substance. Therefore, Hegel thinks that the pure self-relation of self-consciousness, existing alongside the natural world, also cannot be an adequate conception of substance.

Consciousness had the subjective certitude that nature, to which it was related, was a substantial reality. The reflection of consciousness resulted in the pure self-relation of self-consciousness. This result makes clear that nature, to which consciousness is related, is not a substantial reality; it is rather a nature which is relative to consciousness. It is not nature that is substantial, but consciousness: consciousness which has been transformed into self-consciousness. In contrast to Descartes, however, Hegel acknowledges that pure self-consciousness cannot be entirely separated from nature: after all, pure self-consciousness is the result of consciousness's development.

We have discussed consciousness's relation to nature. However, this relation to nature is only apparent if consciousness is already understood throughout as a corporeal consciousness. Consciousness is also an organism which has senses at its disposal by means of which it is related to nature. If consciousness is forced back into itself and is transformed into self-consciousness, it is no longer aware of its relation to a given nature.

The distinction Hegel makes between consciousness and self-consciousness has its counterpart in Marx's distinction between the free person in the market and the real individual in the private domain.³² Just as the *Self-Consciousness* chapter thematizes that self-consciousness also has a body, so too does Marx thematize that the free person also has a body in the private domain. It is true that it was always already clear that the free person must have a body, because otherwise he could not perceive properties and would not have the needs in relation to which the notion of use value acquires meaning. However, insofar as the person has the illusion of being autonomous, he suppresses his corporeality, so to speak. Just as the wholly theoretical perspective of consciousness seems to be transformed into the practical perspective of self-consciousness, so too does the transition from the market into the private domain seem to be a transition from a theoretical to a practical perspective. The private domain is the domain in

32 Michael Quante (2013, 722) puts forward the following thesis: "Marx's distinction between the process of circulation and the process of production within capital integrates the two-level conception of Hegel's *Phenomenology* such that the former process presupposes acts of recognition. Since the former process is a necessary presupposition for the latter (in its capitalistic form) these acts of recognition are constitutive for capital." In my analysis, Marx's development of the process of circulation corresponds to the *Consciousness* chapter of the *Phenomenology* and his development of the process of production to the *Self-Consciousness* chapter. Since the development of the *Self-Consciousness* chapter is a reflective repetition of the development of the *Consciousness* chapter (meaning that what was only 'for us' at the level of consciousness is explicated at the level of self-consciousness), I agree that Marx's conception of capital in some sense integrates the two-level conception of Hegel.

which the individual practically satisfies his needs, and in which he, through his labor, practically transforms nature. By involving the private domain in his considerations, Marx seeks to explain how the person of the free market can be unified with the corporeal individual. Based on this insight, he wants to understand how the real individual can be alienated from himself and develop the illusion that his reality coincides with the reality of the free person in the market.

The 'Begierde' and the Satisfaction of the Real Individual's Needs

Hegel characterizes the first moment of self-consciousness as *Desire*.³³ Pure self-consciousness has itself as its object. Considered from the external perspective, pure self-consciousness *also* has a body. As such a body, self-consciousness is needy, and is related to the external nature which is determined as life. Insofar as the needy organism is *also* self-conscious, the neediness appears to self-consciousness as a strange content, externally imposed. Self-consciousness, then, is no longer is only a pure self-relation, but is also a relation to a strange content and, therefore, gets lost as pure self-relation. Self-consciousness can only rescue its identity as pure self-relation if it is able to negate the strange content. In this negative relation to the strange content, self-consciousness has the form of *Desire*. Desire can only be satisfied if it totally succeeds in negating the strange content. Hegel argues, however, that this is impossible. Admittedly, it is possible to negate a strange content. One can imagine, for example, that self-consciousness makes the strange content its prey.³⁴ It kills the strange organism and uses it to satisfy its corporeal needs. Insofar as self-consciousness has satisfied its corporeal needs, it is no longer related to an external organism and seems to have succeeded in eliminating the strange content. However, the nature of the living organism is such that the satisfied need returns in time. The whole process can be repeated again and again until the organism dies. This, however, means that self-consciousness (being corporeal) also ceases to exist. Therefore, Hegel concludes that this immediate relation of *Desire*, the immediate relation of self-consciousness to external nature, the immediate unity of self-consciousness and nature, cannot be conceptualized. The relation to nature presupposes the corporeality of self-consciousness. But this corporeality has to be eliminated in order to rescue the purity of self-consciousness. The relation of *Desire* remains involved in the contradiction that corporeality has to be rescued and destroyed simultaneously.

33 PhdG, p. 107; PhoS, p. 109.

34 Adorno 1963, p. 29 ff.

The practical relation of the real individual in Marx can also be understood as desire. In this case, however, it is not about the desire of pure self-consciousness, but rather about the desire of the corporeal individual in his immediate relation to nature. This is the relation in which the human being appropriates natural things to satisfy his corporeal needs, the relation in which the natural thing is used as use value. In this case, too, the process endlessly repeats itself as long as the real individual lives. The natural things, by their use, are consumed, and the relation to one natural thing is replaced by the relation to another. As long as the individual lives, it remains dependent on use values. Therefore, this immediate relation cannot explain how the real individual becomes alienated and develops the illusion of being an autonomous individual, in other words, of being the free person which Marx observes in the market.

The Life-and-Death Struggle for Recognition and the Struggle of Competition at the Market

At the level of the *life-and-death struggle for recognition*, the second form of self-consciousness, Hegel investigates how the contradiction of *Desire* can be overcome. His reasoning is as follows: if otherness to which self-consciousness is related (i.e., nature) must be independent as well as dependent, then this is not possible in a relation in which self-consciousness negates otherness, but is only possible when otherness negates itself. In its self-negation, the sublation of otherness is not a sublation of its independence, but rather the affirmation of it. Next, Hegel concludes that this must mean that self-consciousness can only be conceptualized in a relation to otherness which is also self-consciousness. After all, only self-consciousness can be conceptualized as self-negation: (pure) self-consciousness can identify itself because it excludes all of external nature and in this manner sublates itself as corporeal self-consciousness.

The movement Hegel is making here could also be explained in another way. The problem is that pure self-consciousness cannot be understood as an adequate substance: after all, self-consciousness is related to a strange independence, a strange substantiality. Substance, however, cannot be conceived of as a multitude (Spinoza): substance must exclude otherness. This contradiction can be overcome if it is assumed that self-consciousness relates in a completely symmetrical way to another self-consciousness. In that case, self-consciousness is related to independence, because the otherness is self-consciousness, but this independence is at the same time immediately negated, because the other self-consciousness cannot be distinguished from the first self-consciousness at all.

Although we can now understand that self-consciousness can only be conceptualized, without contradiction, as in a symmetrical relation to another self-consciousness, it is still not easy to arrive at the consequences for a real relation. If a *real*, that is, corporeal self-consciousness is related to a *real* corporeal self-consciousness, this relation cannot be a purely symmetrical relation: both self-consciousnesses are actually distinct from one another. In fact, this relation doubles the relation of *Desire*: it is symmetrical insofar as both self-consciousnesses are related to each other in the form of *Desire*. Both self-consciousnesses want to realize their pure self-consciousness by negating the other self-consciousness. What is considered to be a self-consciousness from the external perspective, is considered from the internal perspective to be simply an external organism. Therefore, the relation between real self-consciousnesses results in a life-and-death struggle. As a consequence, real self-consciousness cannot adequately be conceived of in an immediate relation to another self-consciousness. The struggle will end in the death of one or both, after which the struggle will be continued with another self-consciousness. This process can be repeated endlessly.

The life-and-death struggle between self-consciousnesses has its counterpart in Marx's analysis of capitalism. Having concluded that the real, needy individual cannot develop an ideological (free) consciousness in an immediate relation to nature, he investigates whether this may be possible if the real, needy individual is considered in relation to another individual. In *Die Deutsche Ideologie* he already argues that the history of real individuals can be understood as a natural process of the ongoing division of labor.³⁵ Humans are not only natural beings who immediately utilize nature to satisfy their needs, but are also working beings. In their labor, they transform nature and produce the products which are not immediately given by nature to satisfy their needs. Their satisfaction of needs is culturally mediated.

The cultural mediation of the satisfaction of needs means that the satisfaction of needs is no longer a process which has to be conceived of as an immediate relation to nature; it is rather a process in which needy individuals are related to one another. Natural differences can lead to differences in productivity, which can result in the exchange of use values. This finally leads to a situation in which the exchange of commodities is institutionalized. Exchange

35 "Damit entwickelt sich die Teilung der Arbeit, die ursprünglich nichts war als die Teilung der Arbeit im Geschlechtsakt, dann Teilung der Arbeit, die sich vermöge der natürlichen Anlage (z.B. Körperkraft), Bedürfnisse, Zufälle etc. von selbst oder 'naturwüchsig' macht." *Deutsche Ideologie*, p. 31.

is no longer incidental; the satisfaction of needs presupposes exchange with others.³⁶

Even under the condition of institutionalized exchange, the genesis of an ideological consciousness of freedom still cannot be understood. After all, the exchange between individuals is in no way free. The exchange is necessary for survival. The struggle for self-preservation of the natural individual has acquired a social form. In this social form too, however, the struggle for self-preservation remains. If the individual does not succeed in gathering enough provisions to survive by means of the exchange of labor products, this will in no way result in the consciousness of freedom. The individual experiences the power of death, in other words, the ultimate lack of freedom. The individual who is threatened by starvation has no reason to recognize the property rights of another, namely, the right of free disposition over the product of their labor. Therefore, the social mediation of the satisfaction of needs will ultimately result in a backsliding into the state of nature: the struggle to survive of all against all.

The Lord/Bondsman Relation and the Capitalist Free Market

At the level of the lord/bondsman relation,³⁷ the third form of self-consciousness, Hegel tries to find a solution to the stalemate of the life-and-death struggle. In the symmetrical relation between two (corporeal) self-consciousnesses, it appears to be impossible for both self-consciousnesses to relate to each other in a way that is both independent and dependent. To ensure that justice is done to both the independence and the dependence of self-consciousness in the relation between self-consciousnesses, Hegel introduces the so called lord/bondsman relation as the asymmetrical relation between two self-consciousnesses. For one self-consciousness (the bondsman) the otherness is independent, and for the other self-consciousness (the lord) the otherness is dependent.³⁸ What must be elaborated upon is how this asymmetrical relation between lord and bondsman can be precisely understood.

36 "Der erste Fall setzt voraus, dass die Individuen durch irgendein Band, sei es Familie, Stamm, der Boden selbst pp. zusammengehören, der zweite Fall, dass sie unabhängig voneinander sind und durch den Austausch zusammengehalten werden."... "im zweiten Falle muss bereits die Teilung zwischen geistiger und körperlicher Arbeit praktisch vollzogen sein." (*Deutsche Ideologie*, p. 65).

37 PhoS, p. 111 ff, PhdG, p. 109 ff. See also Cobben, 2009 pp. 42–47, Cobben, 2012, pp. 70–72.

38 "one is the independent consciousness whose essential nature is to be for itself, the other is the dependent consciousness whose essential nature is simply to live or to be for another. The former is the lord, the other is the bondsman." PhoS, p. 115, PhdG, p. 112.

The bondsman is the self-consciousness who cannot overcome the independence of otherness. In fact, this self-consciousness corresponds to the *condition humaine*: it is the self-consciousness who has a body and who ultimately cannot overcome the dependence on his body. The death of the body implies the destruction of self-consciousness. Therefore, Hegel constructs the moment at which the (corporeal) self-consciousness becomes aware of the insurmountable independence of his body as the fear of death. As long as the corporeal self-consciousness is able to satisfy his needs, he can maintain the illusion that the external, natural world has no independence, and that he is able to relate in a completely autonomous way to nature. However, at the moment that the fear of death is experienced, this illusion is broken. The otherness then appears as a superior power, namely as the power of death. Therefore, the power of death is the “absoluter Herr” (PhdG),³⁹ the first form of the lord which the bondsman experiences.

Hegel characterizes the bondsman who experiences the fear of death as the force which is “forced back into itself”. Moreover, he says with regard to the bondsman that “alles Fixe...in ihm gebebt [hat]”.⁴⁰ What does this mean? As *corporeal* self-consciousness the bondsman is also an organism. This organism reproduces itself in an interplay of forces with out-side nature—earth. In this interplay of forces, the organism is subjected to the heteronomous law of nature. At the moment that the fear of death is experienced, the organism is completely forced back into itself through nature which is experienced as an absolute superior power. Therefore, the organism can be compared to the force which is forced back into itself. The normal interplay of forces of the process of life is suspended; the determinations of instinctual acts dissolve into an undetermined being-in-itself in which only life as such is experienced. In this sense, the organism has dissolved all determinations—all fixations are liquefied. However, the bondsman is *also* self-consciousness. Therefore, the fear of death is not only an experience in which the bondsman is overwhelmed by a superior power. In the fear of death, the bondsman as self-consciousness experiences his finitude *as such*. In the experience of the fear of death he transcends the natural order, because he experiences the finitude of life as such. In this experience, in which he becomes aware of his mortality, he posits himself as the essence of his corporeal existence. In this sense, the fear of death is the transition from heteronomy into autonomy. The heteronomous power of nature is, as it were, internalized and explicated as the autonomy in which the bondsman becomes aware of being the essence of his body. This movement

39 “the absolute Lord”, PhoS, p. 117, PhdG, p. 114.

40 PhdG, p. 114, PhoS, p. 117.

could be interpreted as the experience of the fear of death in which the bondsman practically executes the Copernican turn towards himself. It is the experience in which self-consciousness explicates that he himself is the subjective essence of heteronomous nature. Self-consciousness can only be conceived of as being in unity with nature without contradiction if one understands that the formal self-relation of pure self-consciousness is nothing other than the structure of the interplay of forces of living nature which is expressed as such.

The experience of the fear of death results in the internalization of the external lord, in other words, the heteronomous power of nature. Inwardly, the bondsman is aware of being his own lord, that is, the autonomous essence of his body. This inwardly-being-lord however, remains subjective if it is not objectively expressed. This objectification of the lord-position is executed if self-consciousness serves (as bondsman) the other self-consciousness (as lord). This seems to be a curious statement. After all, self-consciousness in his role as bondsman seems to give up his inwardly-being-lord if he serves a strange lord. The other self-consciousness which is served as lord, however, is not in the first instance a self-consciousness by whom he is accidentally confronted. The other self-consciousness is the specific form in which the bondsman relates to the absolute lord, that is, the power of death. For him, the superior power of nature appears in the form of the other superior self-consciousness. Therefore, the other self-consciousness is the lord of his body. If the bondsman in his fear of death (caused by the other self-consciousness) inwardly experiences himself as being the lord of his body, he is simultaneously related to the other self-consciousness who is objectively the lord of his body. In the recognition of the other self-consciousness as his lord, the bondsman therefore recognizes his own essence. The lord is not an external power who directs external violence towards him, but rather the objectification of what he himself experiences himself to be: the lord of his body. For the bondsman, the lord is the representation of his pure self-consciousness. The bondsman objectively expresses his recognition of the lord by serving him in his labor. Labor means that the bondsman is not only a natural being, but also a cultural being. As a natural being his activities are part of the interplay of forces between organism and earth, in other words, the power of nature. His activities are dominated by the heteronomous laws of his instinct (in service of the self-preservation of life). As a cultural being, he serves his lord. This means that his actions are no longer dominated by heteronomous laws, but are the expression of an autonomous law, the law of the lord. By serving the lord, he concretizes the realization of cultural law. Through cultural law, the autonomy of self-consciousness gets a specific historical form of expression.

It has now become clear what Hegel has in mind when he introduces the metaphor of lord and bondsman in order to understand the unity between mind and body. Like Aristotle, he thinks that the unity of mind and body cannot be understood at the level of the particular individual, but rather at the level of society.

Society is the "second nature", an objective reality which is not dominated by the heteronomous laws of the first nature, but rather through the autonomous laws of the mind. Aristotle identifies the "second nature" as the state. The state is the social organism which replaces the natural organism of the first nature. The natural organism is dominated by the heteronomous laws of instinct. In contrast to animals, however, humans are able to give their reproduction a cultural form. To this end, they create the objectivity of a social organism, a second nature which is not dominated by the laws of nature, but rather by the autonomous laws of the state. This is also expressed by Hegel when he states that the human as bondsman serves the lord: he is a corporeal being, but a corporeal being who is also self-conscious. As self-consciousness, he is a cultural being. He serves the lord and expresses his autonomy in this service.

The metaphor of lord and bondsman is, incidentally, not only intended to be Hegel's reformulation of Aristotle's position. Ultimately, Hegel will not accept Aristotle's position. While it is true that Aristotle understands that human autonomy only makes sense at the level of society, that is, the law of the state, he does not succeed in understanding what autonomy means at the level of the individual. The individual has to submit to the state which is identified with a specific tradition. After the French Revolution, however, autonomy acquires a deeper meaning. The freedom and equality of the citizens of the French Revolution is no longer linked to a specific tradition. Kant describes modern autonomy as the autonomy in which it is not the tradition of the community, but rather the holiness of the free person which is central.⁴¹ In his philosophy, Hegel tries to reconcile Aristotle's conception of autonomy with Kant's modern conception of autonomy. The metaphor of lord and bondsman is already directed towards an attempt at this reconciliation. After all, the lord is the representation of pure self-consciousness. The human being who serves the lord as bondsman will finally become aware that his service is a historically specific form of his autonomy. We will later see that Hegel's entire philosophical project is directed towards the attempt to formulate the institutions of the

41 "....dass also die *Menschheit* in unserer Person uns selbst *heilig* sein müsse, folgt nunmehr von selbst, weil er das *Subjekt des moralischen Gesetzes*, mithin dessen ist, was an sich heilig ist, um dessen willen und in Einstimmung mit welchem auch überhaupt nur etwas heilig genannt werden kann." (Kant, KdpV, p. 151).

state in such a way that the citizens of the state not only express the autonomy of the community, but also experience a learning process which enables them to come to the insight that the autonomy of the community always has a historically specific form and is always capable of improvement.

To understand the genesis of the *ideological* consciousness of freedom under capitalist conditions, Marx follows a line of thought which can be interpreted as a materialistic version of Hegel's lord/bondsman relation. Since the genesis of the ideological consciousness of freedom cannot be understood via the symmetrical relations between individuals who compete in the market, Marx too makes the transition to an asymmetrical relation in which the moment of pure freedom falls to one self-consciousness and the moment of being tied to nature falls to the other self-consciousness. The relation between lord and bondsman for Marx acquires the form of the relation between capitalist and proletariat.

Like the bondsman in Hegel, the proletarian in Marx is the self-consciousness which is tied to nature and which has in some way endured the fear of death. In contrast to the bondsman, the proletarian is not a metaphor for a logical moment which can be distinguished within the concrete entirety of self-consciousness, but rather a historical form of self-consciousness which has to be understood as the result of a specific historical development. For Marx, the genesis of proletarian self-consciousness is only conceivable when the historical process of the division of labor has reached its highest stage. According to Marx, this highest stage is realized in the separation between intellectual and manual labor, between spiritual and corporeal labor.⁴²

The proletarian is a real individual who is situated as somebody who tries to satisfy his needs via the market. Moreover, he is an individual who is the result of a historical experience which can be constructed in a way that mirrors the bondsman's fear of death. This experience consists of two elements. The first element, according to Marx, is the original accumulation, which he describes extensively in the twenty fourth chapter of *Capital*. Initially, the participants in the market have their own means of production via which they produce the commodities which they exchange in the market. They own, for example, a piece of land which they cultivate or use to graze their cattle. The original accumulation is the process by means of which the majority of the population is

42 "Die geistigen Potenzen der Produktion erweitern ihren Massstab auf der einen Seite, weil sie auf vielen Seiten verschwinden. Was die Teilarbeiter verlieren, konzentriert sich ihnen gegenüber im Kapital. Es ist ein Produkt der manufakturmässigen Teilung der Arbeit, ihnen die geistigen Potenzen des materiellen Produktionsprozesses als fremdes Eigentum und sie beherrschende Macht gegenüberzustellen." (*Kapital*, p. 382).

robbed of their means of production. They are, for example, chased away from the land they cultivate.⁴³ As a consequence, a class of 'free' workers arises:⁴⁴ workers who are free from the means of production. For these 'free' workers, just as for the bondsman, nature (in other words, the means of production) is a hostile power which cannot be overcome. After all, nature belongs to a hostile ruler (in other words, the capitalist). For the 'free' worker to become a proletarian self-consciousness, a second element is needed—the separation between intellectual and manual labor. As previously stated, the separation of manual and intellectual labor is the highest stage of the division of labor for Marx. If there is no division of labor at all, intellectual and manual labor coincide in the concrete act of labor which is exercised by the individual who uses his intellectual as well as his corporeal capacities. After all, the real transformation of the material of nature asks not only for physical work, but also for several insights: the concept of the product which will be made, knowledge of techniques and materials, and so on. The knowledge which is needed to fabricate the products, however, can also be objectified in all kinds of technology: machines, labor organization and human engineering. Ultimately, this can result in a state of affairs in which the intellectual moment is completely objectified in the means of production. In that case, labor retains only its physical side without quality⁴⁵—pure execution of power which can in principle be transformed into all kinds of concrete labor. This transformation is performed through the production apparatus in which this labor is active. This state of affairs describes the separation between manual and intellectual labor. Intellectual labor is linked with capital, which employs scientists to design machines, social scientists to organize the production process and psychologists to discipline the workers. Manual labor is wholly linked with the workers. Their labor consists of nothing more than the mechanical execution of power, which can, for example, be concretized as the labor at the production line. We have already observed that this manual labor can be identified with the abstract labor introduced by Marx as the measure for value.⁴⁶

43 Kapital, p. 744: "2. Expropriation des Landvolks von Grund und Boden."

44 "Zur Verwandlung von Geld in Kapital muss der Geldbesitzer also den freien Arbeiter auf dem Warenmarkt vorfinden, frei in dem Doppelsinn, dass er als freie Person über seine Arbeitskraft als seine Ware verfügt, dass er andererseits andere Waren nicht zu verkaufen hat, los und ledig, frei ist von allen zur Verwirklichung seiner Arbeitskraft nötigen Sachen." Kapital, p. 183.

45 "Er vollendet sich in der grossen Industrie, welche die Wissenschaft als selbständige Produktionspotenz von der Arbeit trennt und in Dienst des Kapitals presst." Kapital, p. 382.

46 "Alle Arbeit ist einerseits Verausgabung menschlicher Arbeitskraft im physiologischen Sinn, und in dieser Eigenschaft gleicher menschlicher oder abstrakt menschlicher Arbeit bildet sie den Warenwert." *Das Kapital*, p. 61.

Only if the previously introduced 'free' worker is condemned to labor which is reduced to abstract manual labor are the conditions fulfilled under which proletarian self-consciousness can arise. Just like the bondsman, this self-consciousness has endured the fear of death and has consequently become internally free. In this case, however, this internal freedom is ideological. We have already seen the first moment of this fear of death: nature (that is, the production apparatus) appears to the proletarian self-consciousness as a strange and absolutely superior power (in other words, the production apparatus is owned by Capital), which in the last resort has to be understood as the power of death. After all, Capital has the power to withhold the necessary provisions from the proletarian. The second moment of the fear of death corresponds to that which was also the case for the bondsman: "Alles Fixe hat in ihm gebebt." Proletarian self-consciousness is torn loose from all the concrete determinations of labor. What remains is the ability to exercise abstract labor which is situated in itself. As proletarian self-consciousness, the worker is forced back into himself. He is the owner of the commodity of labor power, which can be treated in any way and which can be active in all kinds of labor processes.

In the *Phenomenology of Spirit*, the bondsman's fear of death resulted in internal freedom. Through the fear of death, the bondsman experiences himself as the lord of his body. Something similar is at stake with proletarian self-consciousness. The proletarian has endured the fear of death (as specified above) and can therefore experience himself as the lord of his body: after all, all concrete actions which his body can perform are appearances of the abstract essence of proletarian self-consciousness: abstract labor. However, in Marx's eyes, the freedom of abstract labor is an alienated essence. This essence reduces the real individual into an abstract essence and robs him of his concrete reality as a natural being.

We earlier observed that, for Hegel, the bondsman transformed his internal freedom into an objective appearance by recognizing the lord. The bondsman recognizes in the lord his own essence and practically expresses this recognition by serving the lord. We again find a similar method of reasoning in Marx. The proletarian self-consciousness transforms his internal essence into an objective appearance by recognizing Capital as his lord. He practically expresses this recognition by serving Capital in his labor.

Why does the proletarian self-consciousness recognize Capital as his lord? Why does he recognize Capital as the objective appearance of his essence? To answer these questions, it is important, as it was in the case of the lord/bondsman relation, to distinguish between the external and the internal perspective. Considered from the internal perspective, the proletarian does what he does because he wants to survive. As a corporeal individual, he is confronted with

the power of nature. In capitalist society, this power is transformed into the power of the market. We have seen that proletarian self-consciousness stands for the ability to deliver abstract labor. Considered from the perspective of the market, this means that we can conceive of the labor power of the proletarian as the essence (the 'lord') of the world of commodities—after all, the value of commodities was reduced to the amount of abstract labor objectified in them. However, it is not possible to understand the fetish character of commodities in this way. Therefore, we left the domain of the market and entered the private domain, the sphere of consumption and production. We observed that Marx considers the historical development of the domain of production as a process of the ongoing division of labor. This division of labor culminates in the separation of intellectual and manual labor. In this way, the manner in which the proletarian recognizes Capital as his objective lord can be clarified. For the proletarian, Capital in its immediate form appears as the production apparatus. Under the condition of the separation of manual and intellectual labor, the spiritual moment of labor (intellectual labor) is completely objectified in the production apparatus. Labor which has to be performed is abstract labor, in other words, labor without quality, which truly appears in the mechanical actions of the production line. Therefore, the proletarian can recognize in the capitalist production process the objective reality of his own essence: in the capitalist process of production abstract labor realizes itself in concrete labor which produces real commodities. Therefore, the proletarian can recognize Capital as his lord.

Like the bondsman, the proletarian practically expresses his recognition of the lord by serving the lord. In capitalist society, this service is formalized through the labor contract between proletarian and capitalist. The proletarian sells the only commodity he has, namely the commodity of labor power. Considered from the internal perspective of the proletarian, this labor contract is not an act of a free person. The proletarian has no choice: he has to enter in the contract in order to survive.

The necessity of entering into a labor contract and recognizing Capital as lord is still insufficient to allow us to understand the fetish character of the commodity. The proletarian could interpret the labor contract as a means of survival: after all, he uses his wages to buy his provisions. Marx argues, however, that this reasoning will not suffice under the conditions of the capitalist free market. The production of commodities is not a means for the proletarian to survive, but the proletarian is exclusively a means for the production of commodities. The proletarian is reduced only to a means.

To understand this capitalist alienation, the conditions under which the labor contract between proletarian and capitalist is entered into have to be

analyzed. For this analysis, it is firstly important to know the value of the commodity of labor power. Marx states that the determination of this value corresponds to the determination of value in general: the value of the commodity is dependent on the quantum of abstract labor which is needed to produce the commodity. This means that the value of the commodity of labor power equals the value of the commodities which are needed to reproduce the labor power.⁴⁷ The next question is why Capital is at all interested in the commodity of labor power. It is true that Capital can use the commodity of labor power to make new products, but to acquire the commodity of labor power Capital also has to give up 'products' (namely the provisions of the laborer or their equivalent value). What interest does Capital have in this operation if it is assumed that equal value is exchanged for equal value in the free market? According to Marx, this can be understood by making the distinction between the exchange value and the use value of the commodity of labor power.⁴⁸ In the market, the capitalist pays the exchange value for the commodity of labor power. If, however, he utilizes this commodity in the labor process, this on balance produces more value than was invested: the exchange value of the produced commodities is bigger than the investments needed for the production process.

It can now be understood, not only why Capital is interested in the commodity of labor power, but also, why this leads to an alienated society.⁴⁹ The exchange between proletarian and Capital makes Capital the substantial power, the social subject who unilaterally makes the proletarian his means. Capital is the driving force of the capitalist world. It organizes the production process and buys labor power with only one objective—to produce more value than was invested.⁵⁰ For the proletarian, the capitalist world seems to be a just world.

47 "Die zur Produktion der Arbeitskraft notwendige Arbeitszeit löst sich also auf in die zur Produktion dieser Lebensmittel notwendige Arbeitszeit, oder der Wert der Arbeitskraft ist der Wert der zur Erhaltung ihres Besitzers notwendigen Lebensmittel." *Das Kapital*, p. 185.

48 "Um aus dem Verbrauch einer Ware Wert herauszuziehen, müsste unser Geldbesitzer so glücklich sein, innerhalb der Zirkulationssphäre, auf dem Markt, eine Ware zu entdecken, deren Gebrauchswert selbst die eigentümliche Beschaffenheit besäße, Quelle von Wert zu sein, deren wirklicher Verbrauch also selbst Vergegenständlichung von Arbeit wäre, daher Wertschöpfung. Und der Geldbesitzer findet auf dem Markt eine solche spezifische Ware vor—das Arbeitsvermögen oder die Arbeitskraft." *Das Kapital*, p. 181.

49 Quante (2013, 719): "In his [Marx's, p.c.] perspective capital is an instantiation of Hegel's concept of self-consciousness and an instantiation of alienation *in uno actu*; this is most explicitly expressed by naming capital an 'automatic subject'."

50 Kapital p. 169: Capital is characterized as "automatisches Subjekt" and "übergreifendes Subjekt".

The contract he enters into with Capital seems to be a just contract: after all, he receives the fair market value for his labor power.⁵¹ Moreover, the proletarian can recognize Capital as his 'lord'. In Capital, he observes nothing other than the reality of his own essence: abstract labor. Capital is the power which organizes the production process in service of the production of value. Therefore, it objectively makes the real world the expression of abstract labor. This explains the fetish character of the commodity. The commodity is the immediate appearance of the substantial power of the capitalist world: abstract labor.

For Marx, proletarian self-consciousness is ideological. What the proletarian considers to be the essence of the world, abstract labor, is actually an alienated essence. The human being who is reduced to abstract labor is an abstract human being who is robbed of his natural, corporeal reality.⁵² Marx explains the existence of this ideological self-consciousness via the historically specific conditions of which proletarian consciousness is not aware: the separation between market and production.⁵³ The genesis of this separation coheres with the historical development of the production process which Marx understands as a process of the ongoing division of labor. The development of the division of labor cumulates in the separation of manual and intellectual labor.⁵⁴ Under the capitalist conditions of the separation of market and production, manual labor falls wholly to the proletariat and intellectual labor falls wholly to Capital. Intellectual labor is the spiritual moment of the concrete labor process and is completely objectified in the technology utilized in the production process. Therefore, manual labor is degraded to abstract, mechanical labor, without any quality. The human being is reduced to an "appendix of the machine."⁵⁵

51 "Was allein hier herrscht, ist Freiheit, Gleichheit, Eigentum und Bentham. Freiheit!" Kapital, p. 189.

52 Lindner (2013) is right when he remarks: "Marx setzt daher auch in seiner Kritik der politischen Ökonomie nicht normimmanent an, sondern arbeitet mit einem perfektionistischen Modell der Lebensimmanenz: Die kapitalistische Produktionsweise wird anhand einer Sozio-historisch dynamisierten Konzeption menschlicher Natur kritisiert. ...Wie Marxens Überlegungen zur Arbeitskraft und zum Arbeitsprozess bereits deutlich gemacht haben, gilt das besonders für den Begriff der menschlichen Natur mit seinen drei zentralen Bestimmungen: körperliche Ausstattung, Reflexivität sowie Sozialität." (p. 348/9).

53 K 183, DI.

54 "Die Teilung der Arbeit wird erst wirklich Teilung von der Augenblicke an, wo eine Teilung der materiellen und geistigen Arbeit eintritt." *Deutsche Ideologie*, p. 31.

55 "Die Gewohnheit einer einseitigen Funktion verwandelt ihn in ihr naturgemäss sicher wirkendes Organ, während der Zusammenhang des Gesamtmechanismus ihn zwingt, mit der Regelmässigkeit eines Machinenteils zu wirken." Kapital, p. 370.

Therefore, the alienation in capitalist society has a twofold character. On the one hand, alienation means that the spiritual and the corporeal moments of labor are torn apart, which appears as the separation between intellectual and manual labor. On the other hand, intellectual as well as manual laborers are alienated from themselves. Spiritual labor (or intellectual labor) is objectified in the technology of the production process. This transforms it into a material activity which is detached from the very subjectivity of the spiritual. Corporeal labor (manual labor) is transformed into abstract labor without quality, into a mechanical activity which is detached from the living, organic quality of corporeality. Alienation in capitalist society can, according to Marx, only be overcome if mind and body are reunited and if the separation of market and production is undone. We will later see how Marx tries to conceive of the sublation of alienation as the communist revolution. However, we can already conclude that behind the attempt to conceptualize the communist revolution is hidden a philosophical problem that was central to the philosophy of Kant and German Idealism: how to conceive of the unity between spirit and nature, between autonomy and heteronomy.

The ideological self-consciousness of the proletarian shows, incidentally, a great structural similarity to the form of consciousness which, according to Hegel, results from the lord/bondsman relation: stoic consciousness. Stoic consciousness is the consciousness of the bondsman who has recognized himself in the lord. This recognition follows from a process of education. The bondsman was the self-consciousness who was not able to overcome the power of nature. However, thanks to education in the process of labor, the bondsman has acquired an ongoing insight into nature and is ultimately able to transform nature so that it corresponds with the conception which he has in mind. At this moment, he can recognize himself in the lord: nature has lost its strange power because it appears as nothing other than the expression of the conception that stoic consciousness had in mind. Stoic consciousness appears to be transformed in the essence of nature. This corresponds to proletarian self-consciousness. In the ongoing process of the division of labor, this self-consciousness too has gone through a process of education which results in the recognition of the lord. Proletarian self-consciousness recognizes in his lord, in other words, in Capital, his own essence, namely abstract labor. Both for proletarian self-consciousness and for stoic consciousness, the opinion that it is itself the essence of the natural world must be qualified as ideological. This illusion can only be generated under historically specific conditions which have not yet been perceived as such. Just as Marx reduces the ideology of the proletarian to the specific historical condition of the separation between market and production, so Hegel too reduces the 'ideology' of stoic consciousness

to the state of affairs in which the lord, that stoicism has recognized himself in, is only a specific historical appearance of the lord, and not the lord in himself, that is, pure self-consciousness.

Conclusion

In the first two chapters of the *Phenomenology of Spirit* (*Consciousness* and *Self-Consciousness*) Hegel develops a basic model to understand the unity between freedom and nature (autonomy and heteronomy). Consciousness tries to identify nature as substance and is forced back into itself. Substance has to be conceived of as self-identification, in other words, as subject. This movement expresses Hegel's version of the Copernican turn: the attempt to identify nature as law structure presupposes the self-identification of the subject. In the *Self-Consciousness* chapter, Hegel demonstrates that the Copernican turn in the theoretical domain presupposes the Copernican turn in the practical domain. The real subject is not only a free self-relation, but also a corporeal subject who is involved in nature. Therefore, the Copernican turn is only possible if the subject's dependence on nature is overcome in a real process of education. This process of education is realized in the lord/bondsman relation and results in stoic consciousness. Stoic consciousness is the free subject who has practically become the essence of nature, namely the second nature which is real in the laws of the social organism.

Marx also develops a model to understand the unity between freedom and nature. The free person of the market tries to identify the objective world (that is, the world of commodities) as a substance (a fetish). The free person too is forced back into himself: the subjective world of abstract labor, rather than the objective world of commodities, appears to be the substance. Once again, this movement can be interpreted as a (materialistic) version of the Copernican turn: the attempt to identify the objective world as law structure (the laws of the market) presupposes the self-identification of the subject—the free person who is revealed as abstract labor.

Marx also argues that the Copernican turn in the 'theoretical' domain (namely the domain of the market), presupposes the Copernican turn in the practical domain: namely in the domain of production. The person in the market is not only a 'free' person (namely the executor of abstract labor in the theoretical analysis of the market), but also a natural individual. Therefore, the Copernican turn is only possible if the natural individual's dependence on nature is overcome in a real process of education, namely in the historical process of the ongoing division of labor. This process of education results in the

proletarian/Capital relation. As manual labor, the proletarian practically becomes the essence of nature, in other words, of the use values which are produced for the market.

Stoic consciousness can be characterized as ideological insofar as it is not aware of its world as a historically specific world. Proletarian consciousness can also be characterized as ideological. The use values which the proletarian produces are related to the demands of the market and, therefore, are related to a historically specific world. In the next chapter, I will discuss how the ideology of stoic consciousness is overcome in the *Realm of Culture*, which is developed in the *Spirit* chapter of the *Phenomenology of Spirit*. My thesis is that the process by means of which the proletarian consciousness becomes self-aware, according to Marx, is structured in a way that corresponds to the development which takes place in the *Realm of Culture*.

The *Realm of Culture* and the Historical Process in which the Proletarian Becomes Self-Aware

Introduction

Although both proletarian self-consciousness and stoic consciousness can be called ideological, because they regard themselves to be autonomous and do not realize that their position is conditioned by historical circumstances, the distinction between the Hegelian and the Marxist project nevertheless comes sharply into focus if the question is raised as to how this ideological alienation can be overcome. Stoic consciousness is not a historical consciousness, but rather a theoretical construction. It is true that it is linked to *historical* conditions, but in a different sense to proletarian self-consciousness. In the case of stoicism, the historical conditions mean that consciousness is anchored in a culture: the concepts of stoic consciousness are mediated through labor. At this stage, though, it is only important to note *that* stoic consciousness has a cultural dimension. It is of central importance, however, that this consciousness is constructed in such a way so as to conceive of the reality of pure self-consciousness as a corporeal self-consciousness. Therefore, stoic consciousness is measured by a pure, *supra*-historical criterion: universal human freedom. As long as this universal freedom is not adequately realized, the project of the *Phenomenology of Spirit* is not finished and the observed consciousness remains alienated. This is especially valid for stoic consciousness: for this self-consciousness the lord (the representation of pure self-consciousness) is not pure, but coincides with a specific culture (although the stoic consciousness itself is not aware of this concurrence). From this, Hegel can borrow the criteria for the further development of consciousness, leading to the sublation of alienation. The proletarian self-consciousness introduced by Marx, however, is thoroughly historical: it is Marx's interpretation of the person who participates in the free market.

Proletarian self-consciousness cannot be measured by the *supra*-historical criterion of pure self-consciousness, of universal freedom or fundamental human autonomy. After all, Marx understands this autonomy as ideological. He thinks that pure freedom has to be revealed as an ideological abstraction, as the repression of natural life. Proletarian self-consciousness is completely alienated. The proletarian is completely reduced to a thing. This position evokes many questions. How can alienation ever be overcome if a position of total

alienation is the starting point? If human history is understood as the history of the ongoing division of labor, what meaning does it have to speak about human history beyond the highest stage of labor division—the separation of manual and intellectual labor? Is Marx's criterion for alienation itself not elevated above historical development? I will return to all of these questions in the next chapter, in which the relation between Marx and Hegel is evaluated. In this chapter, I will make a case for the fact that, despite some discrepancies, Marx was nonetheless also inspired in the development of his theory of revolution by the *Phenomenology of Spirit*, and particularly by the development of the *Realm of Culture*.

The Development in the Phenomenology of Spirit and European History

Although the forms of consciousness discussed in the *Self-Consciousness* chapter of the *Phenomenology of Spirit* are obviously not *historical* forms, this does not mean that the *Phenomenology of Spirit* does not refer to historical relations at all. This is already clear as a result of the use of the term 'stoic consciousness': Hegel of course refers with this term to historical forms of stoicism. Therefore, historical references can be helpful in illustrating what is meant by some logically constructed forms of consciousness. However, the reference to historical relations acquires a more fundamental meaning when the transition is made to the *Spirit* chapter. In this chapter, Hegel offers a reconstruction of Greek/Roman Antiquity, of the Middle-Ages and of Modernity.⁵⁶

It is not difficult to understand why Hegel has to make a transition into a development which refers to *real* historical societies. We have investigated the manner in which Hegel develops the necessary conditions under which the unity of mind and body can be conceptualized. Hegel has explained how this unity has to be understood as the unity of consciousness and self-consciousness. He formulated the basic model of this unity as the lord/bondsman relation. The unity of mind and body presupposes a social organism and a social law which is observed by the human being in his role as bondsman. The concrete meaning of this role as bondsman can only become clear if it is possible to determine the content of social law. The content of the law, however, cannot necessarily be developed by Hegel. After all, the human being as bondsman is a self-conscious being. Therefore, he must self-consciously determine social law and not allow it to be prescribed by a philosopher. The

56 Cobben 2009, pp. 60–117; Cobben 2012, pp. 105–128.

philosophical determination of social law has to be limited to the determination of the necessary institutional structures under which the citizens of the social organism (the state) can relate self-consciously to the law of the social organism. In this self-conscious relation, they can freely determine the content of the law. Whether such a state can actually exist is a matter of contingency, in other words, a matter of actual history.

Hegel thinks that it is possible to reconstruct the Greek polis as a state which corresponds to the required institutional structures. In the polis, it is not only social law (as *human law*) that is immediately real, but also self-consciousness's relation to social law, in other words, to *divine law*. This relation however, is only explicitly clear in Hegel's reconstruction of the polis. Considered from the internal perspective, this explication is not yet executed. Self-consciousness has not yet expressed itself as the essence of social reality. Therefore, Hegel argues that history, after the polis, can be reconstructed as a process in which the freedom of pure self-consciousness is gradually explicated as the essence of the social organism.

The first step in this development results from the transition from the polis to the Roman Empire. In this context, the law of the social organism has the (contingent) form of Roman law, in which the individuals relate to one another as free and equal legal persons. Considered from a systematic point of view, this legal order can be understood as a form of realization of *stoicism*. The legal persons are the bondsmen who have recognized themselves in their lord and who conceive of themselves, as legal persons, as the essence of social law. However, the self-consciousness of the legal persons can be considered *ideological*. They have not yet understood that the lord in whom they have recognized themselves is a historically specific form of the appearance of the lord (which is still distinguished from pure self-consciousness). Therefore, they are actually not the lords of their reality at all. The legal persons are formal and are dependent on a contingent, historical reality: the actual division of property. While it is true that they, as owners of their property, are the lords of their property, what they own remains accidental. The property system only does justice to individuals as beings who are formal and abstract, who are abstract spiritual beings. Therefore, their corporeal side, which looks for specific qualities of property, is repressed. For Roman law, this corporeal side is something inessential, something accidental. This explains why there are essential resemblances between Hegel's analysis of the Roman Empire and Marx's analysis of capitalism.

The second step in Hegel's historical reconstruction is taken in the *Realm of Culture*, in which he reconstructs the development from the Roman Empire to the French Revolution as a moment in the self-realization of self-consciousness.

In this development, the formal person of Roman Law is transformed into the *subject*: pure self-consciousness which wants to realize itself in the social organism, not only with respect to its form (as in the Roman Empire), but also with respect to its content. This development can be interpreted as the process in which the legal person overcomes the repression of his corporeality and strives, as subject, towards the recognition of his corporeality. In the next section, I will show that Marx in fact interprets the development in the *Realm of Culture* in this manner. The process by means of which the proletarian becomes self-aware, overcomes his alienation, and comprehends the one-sidedness of the ideological consciousness of capitalist society, is interpreted by Marx by means of a thought process which he borrows from Hegel's development of the *Realm of Culture*. The proletarian revolution must overcome the repression of corporeality and pave the way for the harmonious reconciliation of mind and body.

The Communist Revolution and the *Realm of Culture*

As previously remarked, the *Realm of Culture* has to be situated after the decline of the Roman Empire. The persons of Roman law experience the decline of the Roman Empire as an absolute loss.⁵⁷ They thought they were living in a world in which their essence—their freedom—was realized. The decline of the Roman Empire demonstrates, however, that this world is a transitory, contingent world. Along with this world, the reality of the person's essence is also lost. The decline of the Roman Empire, however, does not imply the decline of individual persons. The experience of absolute loss is simultaneously an experience of transcendence (coming to an awareness of the experience of the fear of death as previously described): the finitude of the Roman Empire is experienced *as such*. Moreover, the person realizes that his essence obviously does not coincide with the real world.

Considered from the external perspective, we can conclude that the experience of the decline of the Roman Empire explicates what we already know: the lord symbolizes pure self-consciousness and does not coincide with a historical form of appearance. The legal person now also becomes aware of this

57 PhdG, p. 46: "Es ist das Bewusstseyn des Verlustes aller *Wesenheit in dieser Gewissheit* seiner und des Verlustes eben dieses Wissens von sich—der Substanz wie des Selbsts, es ist der Schmerz, der sich als das harte Wort ausspricht, *dass Gott gestorben ist*." [PhoS, p. 455: "It is the consciousness of the loss of all *essential* being in this *certainty of itself*, and of the loss even of this knowledge about itself—the loss of substance as well as of the Self, it is the grief which expresses itself in the hard saying that 'God is dead.'"].

distinction. He becomes aware that his essence is not real and can only be retained as an abstract, pure being. In the *Self-Consciousness* chapter, Hegel suggests that the logical structure of this form of consciousness is *unhappy consciousness*. Here, *unhappy consciousness* returns in its historical form.⁵⁸ Hegel refers to the rise of Christianity, which represents the abstract, pure being as the representation of a transcendent god. Consciousness which renders this god its essence is unhappy because its essence remains completely elusive: it does not manifest itself in the real world. Simultaneously, fundamental human equality is expressed for the first time. For this consciousness, humans are not equal because they belong to a legal order (as legal persons under Roman law), but rather because they are all related to a transcendent absolute being: for this god, human beings are equal.

The *unhappy consciousness* is confronted by the contradiction that his absolute essence is separated from the real world. Therefore, the absolute being is confined by the real world and, consequently, is not adequately conceived of as an absolute being. For this reason, the development of *unhappy consciousness* is directed towards overcoming this contradiction. The logical structure of this development is a repetition of the logical structure of the opening chapters of the *Phenomenology of Spirit: Consciousness, Self-Consciousness and Reason*. It is easy to comprehend why this must be the case. The *Consciousness* chapter of course begins with the relation of *Sense-Certainty*—consciousness which is related to the natural thing which it perceives as a real substance. We find the same relation again with regard to *unhappy consciousness*; in this case, however, it is not the relation to a natural thing, but rather an internal relation: the *unhappy consciousness* is also immediately related to a thing, which it perceives as a substance.

Hegel illustrates the first stages of the realization of *unhappy consciousness*, in which the logical structure of *Consciousness* and *Self-Consciousness* is repeated, with the help of examples which he borrows from the development of mediaeval Christianity. He therefore does not repeat this development at the level of the *Realm of Culture*. In one sense, he should have done so, because the historical appearance of the *unhappy consciousness* is thematic at this stage only. However, because the logical development of *unhappy consciousness* is already presented with the help of historical examples, he would merely have repeated what he previously did. Moreover, we will see that these first steps have consequences mainly for the development of the consciousness of the church, and not yet for the real institutional development of the *Realm of Culture*. Although this development, as we will see, is presupposed for the development of the

⁵⁸ Cobben 2009, pp. 87–88.

real institutions of the *Realm of Culture*, it can indeed be understood why these first steps of the realization of *unhappy consciousness* are not repeated again at the level of the *Realm of Culture* in a historical form.

a. *The Development of the Church as Presupposition of the Realm of Culture*

Unhappy consciousness is torn within itself. Its essence is an elusive, abstract “unwandelbares Wesen”,⁵⁹ while it is simultaneously changeable as real consciousness. In the first stage of the development of *unhappy consciousness*, in which the movements of *Consciousness* are repeated, this *unchangeable being* is respectively represented as god the father, the son, and the Holy Spirit—the representation of god which characterized mediaeval Christianity. In this manner, an attempt is made to give the *unchangeable being* a form which does not contradict its content. As a pure *unchangeable being*, it exists alongside the real world and is confined by changeable real consciousness. This confinement, however, contradicts the absolute character of the *unchangeable being*. To overcome this contradiction, the representation of god is transformed from the father into the son, in other words, god is represented as a changeable consciousness. This however contradicts the unchangeable character of the *unchangeable being*. Therefore, the *unchangeable being* is ultimately represented as the *Holy Spirit*, as the unity of the unchangeable and the changeable being. These representations can be linked respectively to *Sense-Certainty* (the thing as abstract substance), *Perception* (the substance which has multitude in itself) and *Understanding* (the concept which has reinstated multitude into itself).

During the first stage of *unhappy consciousness*, the *unchangeable being* remains a represented being which exists alongside the real world of real consciousness (and, therefore, does not adequately express the absolute being). In the second stage of *unhappy consciousness*, in which the moments of *Self-Consciousness* are repeated, an attempt is made to overcome the separation from the real world. *Unhappy consciousness* moves into the world and tries to discover, in the crusades, the *unchangeable being* as a real self-consciousness. In the real world, however, it is repeatedly confronted with real self-consciousnesses, which it repeatedly has to reject as the reality of the *unchangeable being*: after all, it will repeatedly become apparent that real individuals are mortal. (Compare the movement of *Desire*, which has to repeatedly prove that its pure self-consciousness is essential and that its concrete life is inessential.) Ultimately,

59 PhdG, p. 122: “...so ist ihm das eine, nemlich das einfache unwandelbare, als das Wesen;” [PhoS, p.127: “...one of them, viz. the simple Unchangeable, it takes to be the *essential* Being;”].

the crusades will reach the holy land and *unhappy consciousness* will discover that the grave of Christ is empty. This absolutely destroys the hope that *unhappy consciousness* will find its essence in a real consciousness. (Compare the life-and-death struggle for recognition between two self-consciousnesses: the death of one or both self-consciousnesses makes absolutely clear that the immediate relation between two self-consciousnesses cannot simultaneously do justice to both the pureness and the reality of self-consciousness.)

If *unhappy consciousness* does not succeed in realizing his *unchangeable being* in another self-consciousness, it is forced back into itself and decides to realize its own self-consciousness. At this stage, the lord/bondsman relation is repeated after a fashion.⁶⁰ First, the lord to which it subjects itself is nature: the absolute source of all life, nature which makes life possible through its gifts. While it is true that real self-consciousness unifies itself with the *unchangeable being* by enjoying these gifts, this unification is nevertheless linked with an internal distinction. Real self-consciousness is a living being which not only wants to unify itself with the *unchangeable being*, but also wants to satisfy its own needs. To overcome this distinction, real self-consciousness internalizes the *unchangeable being* and represents it as the Christian god, its new lord. He expresses his submission in the service of the law in which the lord appears: he serves the ecclesiastical institutions as a monk. The service of the monk has the form of the sacrifice of himself as a real spiritual and corporeal being. He sacrifices his spirit by just murmuring pious prayers in praise of the godhead; and he sacrifices his corporeality by fasting. Through this self-sacrifice, the monk hopes to unify himself with his god, his *unchangeable being*. However, this unification also fails, for if the sacrifice of real self-consciousness is an act which can be performed by real self-consciousness, the monk must conclude that he himself is the *unchangeable being*: the monk recognizes himself in his lord and becomes aware that he himself is the *unchangeable being* of reality.

b. *The Development of the Church and Individual Proletarian Self-Consciousness*

Marx's well-known thesis that social existence determines consciousness, and that religion is the ideological form in which social existence becomes self-aware, can be illustrated by the previous development of the church. What Hegel presents as Faith has its counterpart in Marx's conception of religion, as the ideological expression of the reality by which individual proletarian

60 PhdG, p. 126: "In dieser Rückkehr in sich ist für uns sein zweytes Verhältniss geworden, das der Begierde und Arbeit..." [PhoS, p. 132: "In this return into self there comes to view its second relationship, that of desire and work..."].

self-consciousness is confronted in capitalist society. According to Marx, the proletarian in the capitalist market is related to an absolute thing, the commodity. In Marx's closer analysis, he first characterizes the commodity as use value and then discusses the twofold character of the commodity: the commodity as the unity of use value and exchange value. This analysis returns in an ideological, religious form: in the representation of god the father, the son and the Holy Spirit.

Further, Marx considers the proletarian individual not as a theoretical self-consciousness, but rather as a practical, acting self-consciousness. He tries to practically realize his absolute essence (value, abstract labor). This implies that he explicitly has to express the commodity as use value. He realizes this by exchanging commodities. By exchange, he acquires the use values that he can utilize for his own provision. By consuming use values, he posits his own essence (value) as the essence of use value. This process will be endlessly repeated. Again and again, the proletarian has to consume use values. Therefore, he will not succeed in establishing himself as the essence of reality. Religious self-consciousness gives this movement its ideological shape in the crusades: this is also a movement in which real self-consciousness repeatedly attempts to discover its own essence as a real being, in other words, as a real self-consciousness who is nothing other than the appearance of his abstract essence, as a real self-consciousness who is god.

The crusades come to an end when the empty grave is discovered in the holy land: it is not Christ who is found, but rather death. Marx can understand this experience as the ideological expression of the exchange in the market. Ultimately, the proletarian will not be able to realize his essence in this relation, because he always remains tied to his corporeality. In the end, this corporeality will confront him with his mortality and the boundaries of his striving for self-realization.

Unhappy consciousness which is forced back into itself and which, through its labor, submits itself to nature, can materialistically be interpreted by Marx as the labor of proletarian self-consciousness. This labor, however, is not oriented towards the service of the godhead, but rather towards the survival of real self-consciousness. Only the ideological labor of the monk in service of the ecclesiastical institutions of the church could be interpreted by Marx as labor in which the laborer realizes his abstract essence, not the real labor of the proletarian.

It is true that proletarian self-consciousness does not serve the institutions of the church, but rather Capital. But this labor, too, like the labor of the monk, leads to the de-realization of laboring self-consciousness. Just as the monk gives up his spiritual and corporeal reality through his prayer incantations and

fasting programs, so too is proletarian self-consciousness robbed of its spiritual and corporeal reality. The spiritual component of labor falls to Capital and is objectified in the technology and organization of the labor process. The corporeal component of labor falls to the proletarian. This component is isolated because labor is reduced to abstract labor, to purely mechanical work. Pertinently, Marx calls the political economy in the *Pariser Manuskripte* the “allermoralischste Wissenschaft”.⁶¹ science which makes the production of values the highest demand.

The complete alienation which the monk imposes on himself is, according to Hegel, simultaneously a process of reversal. It is precisely because the monk imposes the alienation on himself that he can understand that his lord is not a strange being. He recognizes himself in his lord and becomes aware that the *unchangeable being* is not a strange being. We will see how Hegel interprets the *Realm of Culture* as the world in which consciousness tries to historically realize its pure subjective essence.

In Marx, too, the complete self-alienation of proletarian self-consciousness is a reversal into the revolutionary self-consciousness of the proletarian. The complete *Verelendung* which total alienation brings with it enables the proletarian to understand that it is not Capital, but rather he himself that is the essence of the capitalist society. In the complete *Verelendung* it is he himself who realizes nothing other than abstract labor. We will see how this materialistic translation of the development of the *Realm of Culture* can be understood as the framework in which Marx tries to situate the realization of the revolutionary self-consciousness of the proletariat.

c. *The Realm of Culture*⁶²

The basic relation of the *Realm of Culture* is the *believing* self-consciousness who is forced back into himself and who is related to a contingent world, namely a social organism to which he is externally related. Believing consciousness has the subjective certitude that his internal pure being is the essence of objective reality. He represents this certitude in the images of his religion, the Christian religion which Hegel designates as *offenbare Religion* (*revealed religion*). According to the representation of this religion, god, the pure absolute being, has manifested himself in the real world: god appears in the real life of the humans. Believing self-consciousness strives for the realization of this

61 Karl Marx, *Pariser Manuskripte 1844*, p. 89: “Sie ist daher—trotz ihres weltlichen, und wollüstigen Aussehens—eine wirklich moralische Wissenschaft, die allermoralischste Wissenschaft.”

62 Cobben 2009, p. 81ff.; Cobben 2012, pp. 119–122.

certitude. He wants, in Hegel's terminology, to realize heaven on earth.⁶³ The process in which this realization is executed has the logical structure of *observing reason*, a relation in which *Consciousness* and *Self-Consciousness* are reflectively repeated.

Just like *Consciousness*, believing self-consciousness is also related to an objective world. But in contrast to *Consciousness*, believing self-consciousness explicitly knows that he is distinct from this objective world. *Consciousness* had the subjective certitude of observing a substantial reality in the immediately given natural thing. Analogously, believing self-consciousness thinks that he can immediately observe his pure substantial being in the immediately given social organism. However, because the social organism to which believing self-consciousness is related is an externally observed social reality, it can have manifold shapes, and it is, like the natural thing for *Consciousness's Sense-Certainty*, undetermined.

Believing self-consciousness can only provide a closer determination of the social organism if he gives up his immediate relation and acknowledges that he is specifically related to the social organism. Since believing self-consciousness consists of a body as well as a mind, this specific relation has a dual form. Insofar as self-consciousness is a spiritual being, the social organism appears as the realization of his pure substantial essence, which Hegel refers to as *state-power*. Insofar as self-consciousness is a corporeal being, the social organism appears as the substantial being which is able to satisfy all his needs, which Hegel refers to as *wealth*. In *state-power* and *wealth* the two moments of *Perception* return in some sense, namely as *eins* and *auch*. Like *Perception*, believing self-consciousness cannot bring together the two points of view. The pure unity of *state-power* does not allow for its unification with the concrete multitude of *wealth*. Therefore, the conclusion must be drawn that the realization of the divine being cannot be adequately conceived of in this relation.

The next step in the development of believing self-consciousness parallels the transition from *Perception* to *Understanding*. Just as the Copernican turn executed in *Understanding* and *Consciousness* concludes that the I as pure self-relation is the substantial being, so believing self-consciousness concludes that he himself, as the judging actor, is this very same substantial being. This implies, however, that his substantial being is still not realized in the real world.

To realize his substantial being as such, believing self-consciousness repeats the stages of self-consciousness (in the form of *observing reason*). He exchanges

63 PhdG, p. 316: "Beyde Welten sind versöhnt, und der Himmel auf der Erde herunter verpflanzt." [PhoS, p. 355: "The two worlds are reconciled and heaven is transplanted to earth below."].

his theoretical relation to objective reality for a practical one, and tries to make objective reality the expression of the substantial being through his real actions. According to Hegel, this occurs in the relation which appears in the absolute monarchy which characterized mediaeval France. Here, objective reality appears as a real individual, the *monarch*.⁶⁴ Believing self-consciousness tries to make this monarch the appearance of his pure substantial being through his actions, that is, by serving the monarch as *nobleman*.

The first stage, the *language of flattery*,⁶⁵ repeats the relation of *Desire*. By serving the monarch, the nobleman sacrifices himself. Therefore, the monarch can realize himself as substantial being through the nobleman's actions. In the *language of flattery*, the nobleman repeatedly and tirelessly emphasizes that he regards the monarch to be essential and that his life coincides with his service. However, the nobleman is also a corporeal being with his own particular interests. Therefore, he has to prove that his sacrifice does not serve his particular interests, but rather the general interest which has been given a form in the monarch. In this process, *Desire* is repeated in a kind of inverted form. Just as *Desire* had to exterminate the strange life in order to prove his own substantiality, so the nobleman has to continuously sacrifice himself to prove the substantiality of the monarch. But the nobleman can no more provide the ultimate proof than could *Desire*. After all, the ultimate proof is only provided when it is impossible for the particular interests of the nobleman to manifest themselves. This is only the case when his service costs him his life. However, if the nobleman has died, he is no longer able to realize the substantial being in his service. Therefore, the life-and-death struggle for recognition returns, after a fashion, in this relation.

In the relation between nobleman and monarch, the lord/bondsman relation (in the form of *observing reason*) also returns. Through his service, the nobleman is submitted to a process of education (culture) which expresses itself in the *language of disruption*. The *language of disruption* seems to make clear that nothing in reality is what it seems to be. The reality of the social organism seems to lose its substantiality. This becomes absolutely clear when the individual becomes aware that he is related to a contingent world. Whether the individual is rewarded for his service of the social organism is not under his control. Whether he can profit from the wealth that is produced by the social organism is not dependent on his own decision, but is rather dependent on a strange being, on the will of the monarch who may or may not endow him with wealth. Therefore, the individual experiences the most extreme form of

64 PhdG, p. 278; PhoS, p. 310.

65 PhdG, p. 278; PhoS, p. 310.

alienation possible. Reality, which should be recognized as the reality in which his freedom is realized, appears instead as a reality in which wealth is an external thing, and in which the possibility of the realization of his essence is totally contingent.

The *language of disruption* expresses the experience in which the fear of death, to which the bondsman in the original lord/bondsman relation was subject, is explicated in some manner. Once again, “hat alles Fixe gebebt”,⁶⁶ and once again the nobleman is confronted with the power of death, namely in the form of the monarch. By experiencing the power of death as such, the nobleman can internalize this power and recognize himself in the lord.

d. *The Realm of Culture and the Realization of Revolutionary, Proletarian Self-Consciousness*

If all the elements of the *Realm of Culture* are materialistically interpreted, we can reconstruct the line of thought which underlies Marx’s attempt to understand how proletarian self-consciousness develops into a revolutionary self-consciousness. It will then become apparent that proletarian self-consciousness, too, will realize heaven on earth. In this case, heaven has to be understood as communist society.

In the materialistic interpretation of the *Realm of Culture*, real proletarian self-consciousness is related to the social organism which is understood as Capital. The proletarian is forced back into himself and knows that abstract labor is his internal essence. Initially, the reality of Capital is a contingent reality. The proletarian wants to posit this contingent reality explicitly as the realization of his own essence, in other words, as abstract labor. However, as long as the proletarian remains theoretically related to Capital, he is still affected by the ruling ideology. If he tries to determine the reality of Capital as a substantial reality, he goes through the three movements of *Consciousness*. As *contingent*, the reality of Capital remains undetermined (cf. *Sense-Certainty*). An undetermined reality, however, cannot be understood as a substantial reality. Therefore, the proletarian tries to develop a more precise determination of Capital by taking into account that he, as both a spiritual and corporeal being, is specifically related to Capital (cf. *Perception*). In a way that is analogous to the development of the *Realm of Culture*, he therefore interprets Capital as *state-power* (in relation to his spiritual being, abstract labor) and *wealth* in relation to his corporeal reality. Both interpretations, however, cannot be brought into unity harmoniously. The proletarian then concludes that the qualitative

66 PhdG, p. 114; PhoS, p. 117: “and everything solid and stable has been shaken to its foundations.”

determination of Capital does not follow from Capital itself, but is dependent upon his autonomous judgment (cf. *Understanding*). As long as proletarian self-consciousness remains trapped in a theoretical relation to reality, it remains involved in ideology. This ideology contradicts the reality which is an independent power with regard to proletarian self-consciousness. This independent power can only be broken through in a practical relation. The proletarian enters into a contract with Capital in which he sells his labor power. As a consequence of this contract, he serves Capital with his labor. In this practical relation, proletarian self-consciousness repeats the stages of self-consciousness (in the form of *observing reason*).

Firstly, this service repeats the stage of *Desire*. Here, the proletarian tries to posit the objective reality of Capital as the expression of his essence (abstract labor) by sacrificing himself (his real *Fürsichsein*) in his labor. He pretends, however, that his labor is oriented to nothing more than the production of value. In a way that is analogous to *Desire*, which repeatedly has to exterminate strange life in order to realize its abstract essence, here the proletarian has to repeatedly negate his own being-for-itself to realize the abstract essence of Capital (value which accrues towards itself). Here, the *language of flattery* appears in the form of the employee who presents himself to Capital as the model employee.

Whether the proletarian actually sacrifices his real existence to Capital remains essentially unclear.

Internally, he can have other intentions: it may very well be possible that his employment by Capital is only a means to earn the money to survive. That the proletarian actually sacrifices himself for Capital is only beyond all doubt if he has literally worked himself to death. Then, however, the proletarian is no longer able to posit his abstract essence as the essence of Capital. Therefore, the life-and-death struggle for recognition is repeated in this employment. The contract of employment seems to represent a symmetrical relation between proletarian and Capital in which both parties realize themselves as self-consciousness. Yet in fact, this realization cannot be executed because it presupposes that the proletarian both works himself to death and survives.

The lord/bondsman relation is repeated when public consciousness splits into the ruling ideological consciousness and the self-consciousness of the proletarian who has undermined ideology. This occurs as a consequence of an extreme degree of alienation. Competition in the market ensures that Capital always extends the working day (cf. Chapter 8 of *Capital*) until the boundaries of what is physically possible are reached. For the proletarian, this leads to the experience of the fear of death. In the fear of death, he can no longer deny the importance of corporeal reality. He becomes aware that his abstract

essence is not the very essence of Capital, but rather of his corporeality. Capital is no longer the objective power which he wants to posit as the expression of his own essence, but rather the hostile power which owns the wealth which is necessary to satisfy his corporeal needs.

Under the conditions of the free market, however, whether the proletariat can enter into a labor contract is completely contingent. Therefore, it remains completely contingent as to whether he can satisfy his corporeal needs. Consequently, in this case, too, the reversal which Hegel described in the language of disruption is executed: the proletariat sees through the ideology of state-power, resulting in its transformation into wealth. The good is transformed into the bad; the *Ansichsein* into the *Fürsichsein*. In this case, however, the result is not that the proletariat recognizes his own essence in Capital, but rather that he understands that Capital is a non-essence representing the realization of an essence which makes no room for his corporeal reality. This turns the proletariat into a revolutionary who strives after a society in which he can realize himself as the essence of his corporeality.

Conclusion

The lord/bondsman relation as developed by Hegel is a metaphor by means of which to conceive of the unity between mind and body without contradiction. Therefore, the lord/bondsman relation cannot be interpreted sociologically as a class relation. Nevertheless, Hegel thematizes in the *Spirit* chapter of the *Phenomenology of Spirit* the manner in which European history can be reconstructed as the historical realization of the lord/bondsman relation. Only then can he clarify that the lord/bondsman relation does not only have meaning if it is considered from the external perspective—as a possible model for understanding the unity between mind and body—but also when it is considered from the internal perspective—as a real model for understanding the unity between mind and body. At the level of the *Realm of Culture*, the lord/bondsman relation historically appears as the relation between monarch and nobleman. The nobleman can be understood as the self-conscious reality of the bondsman: he is involved in a process of education which results in him recognizing himself in the monarch.

We have discussed how the process in which the proletariat becomes self-aware, according to Marx, corresponds to stages of development which can be considered as the materialistic version of the stages of development of the *Realm of Culture*. Just as the nobleman recognizes his own essence in the monarch, so the proletariat finally recognizes his own essence in Capital. In both

cases, the recognition leads to a revolution in which the bondsman self-consciously tries to realize his essence. For Hegel this revolution is the French revolution; for Marx, however, it is the proletarian revolution. Both revolutions strive to realize heaven on earth. The chief concern of each revolution is fundamentally different. While the subject of the French revolution immediately wants to realize his pure (absolute) freedom as the law of the social organism (the state), the proletarian has understood that his pure freedom is an ideological expression of an alienated essence: abstract labor. The main concern of this revolution is therefore not a society in which he self-consciously realizes abstract labor, but rather a society in which he self-consciously realizes his non-alienated essence: the essence which is not abstracted from quality and which is not tied to the separation between intellectual and manual labor. Therefore, the proletarian revolution is linked to material conditions in which the capitalist free market is overcome.⁶⁷

67 Ruda (2011): "Marx's conception of human species-life, the life of generic humanity, can be understood as a conception of a *live living life*." (p. 177).

Marx's Analysis of the Commodity and Hegel's *Grundlinien der Philosophie des Rechts*

Introduction

In the previous chapters, I have investigated the manner in which the basic concept of *Capital* can be read as the materialistic reversal of Hegel's exposition in the *Phenomenology of Spirit*, especially the chapters which deal with *Consciousness*, *Self-Consciousness* and the *Realm of Culture*. I showed that Marx's analysis of the commodity as *sensual supra-sensual* thing structurally corresponds to Hegel's development of the question as to the conditions under which it makes sense to speak about substance. This structural similarity, however, says little about the justifiability of Marx's materialistic reversal. Why does Marx utilize the development of the *Phenomenology of Spirit*, which seems to have little to do with capitalist society, for his critical analysis of society? Is it not extremely curious that Marx relates himself to the *Realm of Culture*—the part of the *Spirit* chapter which refers to a historical society—but obviously does not relate himself to capitalist society? After all, the *Realm of Culture* thematizes the development of the European Middle-Ages, from the decline of the Roman Empire to the French revolution.

In this chapter, I will show that Hegel himself is the source of Marx's interventions. In order to clarify this, I must turn to Hegel's expositions in the *Philosophy of Right*. I do not only want to show that Hegel himself links the *Realm of Culture* and the free market, as analyzed by Adam Smith, in this work, but also that Hegel's analysis of the free market (and, more generally, his analysis of *civil society*) makes Marx's criticism understandable. Although Hegel's point of departure is the freedom of the person, he nevertheless concludes that civil society is not wealthy enough for all. Does this not imply that freedom is revealed as an ideological concept? Moreover, Hegel's exposition also includes some elements of the labor theory of value.

The Project of the *Philosophy of Right* in Relation to the *Phenomenology of Spirit*

We earlier observed that in the *Phenomenology of Spirit*, the central question is whether it is at all possible to conceive of reality in itself without contradiction,

in other words, to conceive of reality as substance. In order to answer this question, Hegel firstly tries to understand sensually given, natural reality as substance. With the help of the Kantian Copernican turn, he concludes that this attempt has to fail. In the modern worldview, natural reality is understood as a reality in which universal laws of nature appear. These laws of nature, however, cannot be understood as substantial reality, because they refer to the subject who posits the law structure of nature. From this, Hegel's central thesis can already be deduced, namely that if it is at all possible to conceive of substance, it must have a subject structure.

The subject who underlies natural reality can, in the first instance, seemingly be identified with the Cartesian *cogito*, that is, the structure of formal self-relation. In contrast to Descartes, however, Hegel does not understand the *cogito* as substance. After all, the *cogito* is deduced by abstraction from natural reality, and, therefore, remains dependent on this natural reality. According to Hegel, substance can only be understood as a *cogito* which comprises natural reality. Formulated in Hegel's terminology, this means that substance has to be understood as self-consciousness which is not only a *cogito*, but which also, as living self-consciousness, belongs to natural reality. This question underlies the second chapter of the *Phenomenology of Spirit*, namely *Self-Consciousness*.

I have argued that the lord/bondsman relation, which Hegel develops in the *Self-Consciousness* chapter, is his basic model for conceptualizing the unity between self-consciousness and life (mind and body) without contradiction. The lord/bondsman relation represents the basic structure of substance. Initially, however, the lord/bondsman relation is only the model of a *possible* substance. Only if the lord/bondsman relation is not only a substance when it is considered from the internal perspective, but also when it is considered from the external perspective, has it adequately realized itself as substance, and, can it subsequently be understood as *real* substance. In the *Spirit* and *Religion* chapters, Hegel develops this historical realization of substance. Based on this development, he can conclude in the final chapter that substance can be understood as absolute spirit, that is, as the lord/bondsman relation which is real in and for itself.

The completion of the *Phenomenology of Spirit* not only allows us to draw the conclusion that it makes sense to understand reality as substance, but also that this substance has to be understood as the lord/bondsman relation which must be realized in a real society. This project is systematically elaborated on in the *Philosophy of Right*. In the first two chapters (*Abstract Right* and *Morality*) the concept of *right* is developed, which means that the lord/bondsman relation is systematically developed, starting from absolute essence, that is, pure freedom. In the third chapter (*Ethical Life*) the realization of right is developed, mainly as the systematic realization of the lord/bondsman relation as a free society.

***Abstract Right* and Morality as the Systematic Development of the Lord/Bondsman Relation, Starting from the Concept of Pure Freedom**

The *Phenomenology of Spirit* begins with the relation of *Sense-Certainty* in which *Consciousness* tries to discover the immediately given natural thing as substance. This relation is developed into the lord/bondsman relation in which it becomes clear that pure freedom is the absolute essence which realizes itself in the social organism. In the *Philosophy of Right*, this development is in some sense reversed. The point of departure is the result of the lord/bondsman relation, that is, pure freedom. In *Abstract Right*, Hegel investigates whether it can adequately realize itself as substance in the given natural thing.⁶⁸ In this development, the moments of *Consciousness* are repeated as *Taking Possession*, *Use of the Thing* and *Alienation of Property*. In *Taking Possession*,⁶⁹ freedom expresses itself in the immediately given natural thing. This is, however, an inadequate expression of substance because the natural thing is a thing among a multitude of things. In the *Use of Things*,⁷⁰ freedom expresses itself in the endless negation of a multitude of things. This “schlechte Unendlichkeit” (cf. the *Auch* (Also) of *Perception*), this form of expression, is sublated in the expression of freedom in the *Alienation of Property*.⁷¹ In this relation, the thing is taken as the expression of general value, so that the multitude of use values is taken back into the unity of use value as such.

Use value as such (value in general) is, however, still not an adequate expression of freedom. After all, a specific thing has a specific, finite value in which the infinite value of freedom is not expressed. This infinite value is only expressed at the level of *Contract*.⁷² At this level, freedom is expressed in a contract in which partners decide upon an equal exchange of things. The exchange of things in the contract is the “process in which there is revealed and mediated the contradiction that I am and remain the independent owner of something from which I exclude the will of another only in so far as in identifying my will with the will of another I cease to be an owner.” (Grl., § 72).⁷³ Therefore, the exchange is an interplay of forces in which the symmetrical

68 PhoR, §§ 34–104.

69 PhoR, §§ 54–58.

70 PhoR, §§ 59–64.

71 PhoR, §§ 65–70.

72 PhoR, §§ 72–81.

73 “[der] Prozess, in welchem der Widerspruch, dass ich für mich seiender, den anderen Willen ausschliessender Eigentümer insofern *bin* und *bleibe*, als Ich in einem mit dem anderen identischen Willen *aufhöre*, Eigentümer zu sein, sich darstellt und vermittelt.” (Grl., § 72).

recognition of persons—the recognition of one another as legal persons—is objectively expressed (cf. the interplay of forces at the level of *Understanding* as an expression of natural law).

In the symmetrical exchange of things, the law in which the individuals as formal legal persons are made the essence of things is realized. The realization of formal freedom, however, cannot yet be understood as the adequate realization of substance. It only has to do with a formal realization and, therefore, only has to do with a possible realization, which abstracts from persons as living individuals. That only this realization is yet possible is expressed in the *Philosophy of Right* at the level of *Wrong*.⁷⁴ At this level, the distinction between general and particular will, between the formal and the real realization of freedom, is thematized. As a living individual, the legal person has a particular will which need not to be in accordance with general law.

At the level of *Morality*, the conditions to which the person as living individual must conform if he wants to be able to act in accordance with the law in which substantial freedom is expressed are developed. In this development, the stages of *Self-Consciousness* are repeated after a fashion. The living person is not simply interchangeable with other persons, but distinguishes himself through the particularity of his will. Terminologically, Hegel designates the particular person as (moral) *subject*. The subject tries to realize substance through the realization of his particular will. Therefore, what has to be developed is the particular will which desires general freedom as such. In the first moment of *Morality—Purpose and Responsibility*⁷⁵—the subject wishes to immediately realize substantial freedom through his free action. This fails because the reality in which the action is realized has its own independence. Therefore, the action can have effects which are not intended. As a consequence, the subject has to act again and again in order to posit the strange reality as the expression of his freedom. Therefore, the first moment of *Self-Consciousness—Desire*—is repeated at this stage. *Desire* also had to repeatedly prove its independence on the strange reality.

Hegel characterizes the second moment of *Morality* as *Intention and Welfare*.⁷⁶ At this level, the subject has understood that he can only realize his substantial freedom if he realizes his particular will through his action with regard to its content too. The intended content of his action (*Absicht*) has to bring the content of reality into correspondence with his particular will: it has to result in a reality which responds to his particular welfare (*Wohl*). At this stage, however,

74 PhoR, §§ 82–103.

75 PhoR, §§ 115–118.

76 PhoR, §§ 119–128.

the subject collides with other subjects who want the same thing. In their striving to make reality the expression of their particular welfare, the subjects exclude one another. Therefore, the second moment of *Self-Consciousness*, the *life-and-death struggle for recognition*, is in some sense repeated. Here it becomes explicit that the realization of general freedom cannot immediately coincide with the realization of particular freedom.

At the third stage of *Morality—Good and Conscience*⁷⁷—the contradiction of the second moment is overcome. As in *Conscience*, the subject has acquired the insight that it has a duty to realize the general good. Substantial freedom can only be realized if the realization of particular welfare does not come into conflict with general welfare. Therefore, the realization of substantial freedom is linked to the demand that the subject completes the realization of his particular will in accordance with the realization of the general will. At this level, the third moment of *Self-Consciousness*—the lord/bondsman relation—is repeated in some form. Here the subject knows (as in *Conscience*) that pure freedom (the lord) is his absolute essence. He also knows that he can only realize this essence by submitting himself as bondsman to the general moral law (which demands the realization of general freedom). The subject of *Conscience* stands for the individual who knows that his essence has the form of the lord/bondsman relation.

The Coherence between the Development of the *Phenomenology of Spirit* and the *Philosophy of Right*

In the *Phenomenology of Spirit*, the lord/bondsman relation is developed as the basic model of the free society. The human being, as the unity of mind and body, has to be understood as a being which, as *bondsman*, observes the law of the social organism: a law which exemplifies pure freedom in a historically specific way. The legitimacy of this basic model can only be proven if the lord/bondsman relation can be developed as the adequate unity of mind and body, considered not only from the external perspective, but also from the internal perspective. The development from the internal perspective is executed in the *Reason* chapter: in this chapter the development of *Consciousness* and *Self-Consciousness* is repeated from the internal perspective (as *observing* and *active Reason*). This ultimately leads to the question as to how the law of the social organism can be concretely determined. Only then is the lord/bondsman relation not only a *possible* model, but also a *real* model.

⁷⁷ PhoR, §§ 129–140.

The concrete determination of human law cannot, however, be reduced to a necessary philosophical development. The existence of real individuals is a contingent state of affairs. Therefore, the real law by means of which these contingent individuals participate in the social organism is also contingent. In order to nevertheless determine the reality of the social organism, Hegel makes the transition into a concrete historical development in the *Spirit* chapter of the *Phenomenology of Spirit*. First, he wants to show that the *polis*, the society of Ancient Greece, can be reconstructed from an external perspective as a society in which the structures of *Reason* are objectified. In this sense, this society is the immediate reality of *Reason*. Next, he reconstructs the further course of European history as a development in which the immediate reality of *Reason* gets the shape of *Fürsichsein* (cf. the Middle-Ages) and of *Anundfürsichsein* (cf. Modernity). This development becomes aware of itself in the last two chapters of the *Phenomenology of Spirit* (Ancient Greece and the Middle-Ages have their religious representation described respectively in the *Religion of Art* and the *Revealed Religion*, in *Absolute Knowledge* Modernity reaches its self-awareness).

Obviously, Hegel interprets Antiquity, the Middle-Ages and Modernity as the historical process in which the lord/bondsman relation is adequately realized. This historical development is systematically repeated in the *Philosophy of Right*. We have discussed how at the level of *Abstract Right* and *Morality* the development of the lord/bondsman relation is systematically repeated by making the absolute concept of pure freedom the point of departure. Analogously, in *Ethical Life*, the realization of *Abstract Right* and *Morality*, the development of Antiquity, the Middle-Ages and Modernity is systematically repeated. In *Family*, *Civil Society* and *State*, this development is repeated beginning from the concept of law as it is developed at the level of *Abstract Right* and *Morality*. In this way, Hegel wants to show that the historical development of European culture at the individual level is repeated by the citizen of the modern *Rechtsstaat* (rule of law). By participating in *Family*, *Civil Society* and *State*, he is involved in a process of education in which he acquires, in a way that is analogous to the historical learning process in Antiquity, the Middle-Ages and Modernity, an adequate insight into the self-realization of the human being as the unity of mind and body.

The development of *Abstract Right* consists of three moments: *Property*, *Contract* and *Wrong*. The development of *Morality* also consists of three moments: *Purpose and Responsibility*, *Intention and Welfare* and *Good and Conscience*. From a systematic point of view, the realization of *Abstract Right* and *Morality* at the level of *Ethical Life* means that, firstly, the *family* is developed as the internal unity of the first moment of *Abstract Right* and the first moment of

Morality (cf. as the internal unity of *Property* and *Purpose and Responsibility*); secondly, *civil society* is developed as the internal unity of the second moment of *Abstract Right* and *Morality* (cf. as the internal unity of *Contract* and *Intention and Welfare*); and finally, the *state* is developed as the internal unity of the third moment of *Abstract Right* and *Morality* (cf. as the internal unity of *Wrong* and *Good and Conscience*). In consideration of the development of Capital, I am particularly interested in the development of *civil society* and more specifically in the *System of Needs*. I will show that the development which we found at the level of the *Realm of Culture* is systematically repeated in the development of the internal unity of *Contract* and *Intention and Welfare*.

The System of Needs as the Systematic Development of the *Realm of Culture* Starting from the Concept of Pure Freedom

The point of departure of the *Realm of Culture* is the “disappearance of *Ethical Life*”.⁷⁸ The *Ethical Life* of the Greek world, the human law which has its immediate traditional content, has been lost, and is transformed into Roman law in which many persons relate to one another as free and equal. Since the ethical content has been lost, the question is raised as to how this content can be developed once more, starting from the particular persons: what is under consideration is the problem of *reason as lawgiver*.

The *System of Needs* has a similar point of departure. The ethical content of the family has been lost and is transformed into the formal relations between a multitude of families: the families are represented by legal persons who relate to one another in the form of the *Contract*. This again leads to the problem of *reason as lawgiver*, namely the question as to how the content of the law can be determined, starting from the formal person.

We have discussed the development of the *Realm of Culture*. After the decline of the Roman Empire, the individual as *Faith*⁷⁹ is related to objective reality and tries to realize the absolute (but subjective) content of his *Faith* in the objective world. This is performed in a double process of education in which subjective content and objective world are brought together. The individual is socialized and the objective world is transformed into a world in

78 Hegel uses this formulation in the transition from *Family* to *Civil Society* (PhoR, § 181). A similar transition is discussed in the development from the Greek world to the Roman Empire. PhdG, p. 260/PhoS, p. 289: “...the life of Spirit and this Substance, which is self-conscious in everyone, is lost.”

79 PhdG, p. 266/ PhoS, p. 297.

which the socialized individual can express himself. The process of education begins with a state of affairs in which the individual is related to *Wealth* and *State-power*.⁸⁰ In the distinction between *Wealth* and *State-power*, the relation between the individual and the objective world is, as it were, objectified. *Wealth* stands for the particular interest of the individual and *State-power* stands for the general (objective) interest. In the process of education, the fixed distinction between *Wealth* and *State-power* gets lost, and as *Pure Insight* the individual learns to understand himself as the essence of the world.

Finally, *Pure Insight* opposes its own presupposition, *Faith*. (Just as at the level of the *polis* human law and divine law had their synthesis in the person, so too, at this level, do *Pure Insight* and *Faith* have their synthesis in the subject.) In this confrontation, it appears that *Faith* (as *Superstition*) is not a strange power, but, as a presupposition of *Pure Insight*, is rather a position from which *Pure Insight* cannot withdraw. *Pure Insight* can only realize its general insight if it does not oppose particularity. On the one hand, pure (subjective) insight has to be realized in the objective world. On the other hand, the particular objective content must be sublated in the general insight. This implies the ongoing transcendence of the contingent (particular) reality in the general insight as which this contingent reality is conceived as such. The confrontation between *Faith* and *Enlightenment* results in the subject of the French revolution who wants to posit the general law as the expression of his particular subjectivity. Hegel argues that the general law cannot be determined in this way, not only because the multitude of subjects who want to realize general law oppose one another, but also because the subject who wants to realize his subjectivity in the objective world opposes his own freedom. The French revolution finally results in terror⁸¹ which can only be overcome at the level of *Morality*.

The development of the *System of Needs*⁸² parallels the development of the *Realm of Culture*. In this case, however, the point of departure is the absolute concept of pure freedom, which at this level appears as the second moment of *Abstract Right (Contract)* and the second moment of *Morality (Intention and Welfare)*. Therefore, it is not *Faith* which tries to realize its subjective content in the objective world, but rather the individual who has insight into his particular interest and who tries to realize this in an objective world which has to be understood as the contract relation of *Abstract Right*. For the individual, this objective reality once again appears in a dual manner. On the one hand, it

80 PhdG, p. 270/ PhoS, p. 301.

81 PhdG, p. 321 ("Schrecken des Todes"); PhoS, p. 361 ("Terror of death").

82 PhoR, §§ 189–208.

appears as the free market in which the individual can posit his particular interest (cf. *Wealth*), and on the other hand it appears as the free market in which others, too, can posit their particular interests. As the market in which all posit their particular interests, it is a general and objective power (cf. *State-power*) which opposes these particular interests. In this case, too, there is talk of a process of education in which the contradiction between the particular individual and objective reality is overcome. This education is not related to the formal relations of the market, but rather to labor which produces the commodities which are exchanged in the market. It concerns the theoretical and practical education⁸³ in the labor process. Hegel describes this education as the development of skills which are necessary in the laboring individual: the development of quick thinking demanded by the logic of the labor process, and the expertise to execute the necessary actions quickly and competently. In my opinion, however, this education also has an objective side (which will later be stressed by Marx): the technological development of the production apparatus which requires laborers who can act and think according to general rules. Just as the corporeal and spiritual abilities of the monks were objectified in the practices of fasting and ritual action (prayer formulae), so too in this case are the spiritual and corporeal abilities of the laborers objectified in the technology of the labor process. The pinnacle of education is the insight that the production process is based on *pure insight*, in other words on the general technological rules which are recognized by the laboring subject. This implies that, throughout the labor process, it is recognized that the formal legal relation of *Contract* can only really exist if the process of education is executed. Through this process of education, the subjects understand that the formal law is realized in and through their actions.

The last step is that the *pure insight* of technology opposes the subject of *Intention and Welfare* (just as *pure Insight* previously opposed *Faith*): the particular content of *Welfare* is only a contingent, subjective content which can freely be determined by the subject. This means that the legal relation of *Contract* is no longer an external objective order, but is transformed into the *Administration of Justice*⁸⁴ (Rechtspflege): the legal system that borrows its legitimacy from the fact that it is produced in and through the actions of the subject. The next problem which must be solved concerns the question as to how the contingent content of the legal system can be made into a shared content, in other words, how it can be turned into the general good. This problem is thematic at the level of the state.

83 PhoR, § 197.

84 PhoR, §§ 209–229.

The Development of the Value-Form as Marx's Counterpart of the Development of *Abstract Right*

We have discussed how, in comparison with the *Phenomenology of Spirit*, a methodological reversal is executed in the *Philosophy of Right*. The point of departure in the *Phenomenology of Spirit* is the inadequately conceived substance; this text deduces how pure freedom has to be understood as the essence of true substance. The point of departure of the *Philosophy of Right* is pure freedom; this text develops the substantial realization of freedom. In *Capital*, the positions of both methodological points of view are taken up. We have discussed how, starting from an inadequate concept of substance—the commodity—abstract labor is developed as the very essence of the commodity. Abstract labor takes the place of Hegel's freedom. Pure freedom is, according to Marx, the ideological expression of abstract labor. Therefore, pure freedom is actually a non-essence, a false essence which is hostile to the living reality. In the development of the value-form, this non-essence is taken as point of departure; the development investigates how the adequate form of appearance of this non-essence must be understood. The development can be considered as Marx's revelation of the ideological development of the person at the level of *Abstract Right*. After all, Hegel asks how pure freedom can adequately be expressed in the thing. Analogously, abstract labor is also expressed in a thing, and once again it appears that it has not immediately reached its adequate form in this appearance.

The first value-form which Marx distinguishes is the simple value-form⁸⁵ in which the value of commodity A is expressed in another commodity, commodity B. This is comparable with the first form of Property, *Taking Possession*. At this level, the person (manifesting himself in a specific body, cf. commodity A) expresses his freedom in a natural thing (cf. commodity B). In both cases, the conclusion can be drawn that this expression is inadequate. After all, a general content (freedom/abstract labor) is expressed in a particular thing. Therefore, Marx makes the transition into the developed value-form,⁸⁶ in which the value of commodity A is expressed in a series of other commodities, B, C, D and so on. The developed value-form can be compared to the second moment of Property—*Use of the Thing*—in which the person shows that the expression of his freedom is not tied to a particular property. In the *Use of the Thing* the person shows in an endless series of commodities that his freedom is the general power which negates the particular natural thing. Analogously,

85 Kapital I, p. 63 ("Einfache, einzelne oder zufällige Wertform").

86 Kapital I, p. 77 ("Totale oder entfaltete Wertform").

the value of commodity A is expressed in an endless series of commodities in the developed value-form.

The general content is still not adequately expressed even in the developed value-form and in the *Use of the Thing*. Ultimately, this form of expression remains limited to “bad” infinity (“schlechte Unendlichkeit”). Therefore, the expression is never completed but remains involved in the eternal movement of expression. For this reason, Marx makes the transition to the general value-form.⁸⁷ The general value-form is the reversal of the developed value-form. The value of all commodities (B, C, D, ...) is now expressed in one specific commodity, commodity A. In the general value-form, as in the simple value-form, value is expressed in a particular commodity. Yet like the developed value-form, this particular commodity expresses the generality of value. After all, the particular commodity expresses the value of all particular commodities. The general value-form can be compared to the third moment of *Property, Alienation of Property*. At this level, the commodity is posited at itself and expresses the freedom of the person as a specific value, and, therefore, unifies the moments of particularity (determined) and generality (value).

The general content (freedom, abstract labor) is still not yet adequately expressed in the general value-form, which is essentially indistinguishable from money, and in the *Alienation of Property*.⁸⁸ After all, freedom and abstract labor are expressed as a *determined* quantity. This contradicts the infinite value of freedom and the undetermined quantity of abstract labor. Therefore, both Marx and Hegel make the transition to the exchange relation (*Contract*). The exchange relation makes clear that the expression of the absolute essence repeatedly transcends its expression in a determined thing. The proprietors express themselves in the exchange of commodities in which equal value is exchanged with equal value. The quantity of value, however, is irrelevant, because the exchange can also be between commodities of a different value.

Marx's Reception of the *System of Needs*

We have discussed how Marx utilizes the scheme of the *Realm of Culture* in *Capital*. Since we have observed that Hegel incorporates the *Realm of Culture* into the *Philosophy of Right*, namely as the *System of Needs*, it becomes more understandable that Marx, in his analysis of capitalist society, relates himself to the *Realm of Culture*. After all, Hegel develops his interpretation of the free

87 Kapital I, p. 79 (“Allgemeine Wertform”).

88 PhoR, §§ 65–70.

market in the *System of Needs*, thereby explicitly referring to Adam Smith as the political economist who sought to interpret the modern free market.

Hegel analyzes the *System of Needs* as the internal unity of *Contract* and *Intention and Welfare*.⁸⁹ The distinction between *Contract* and *Intention and Welfare* returns in Marx as the distinction between (the theoretical relation of the) market and (the practical relation of the) private domain. We have seen in the previous section how Marx conceives of the market: the relations of *Property* and *Contract* return in the development of the value-form of the commodity. This development clarifies why the commodity can manifest itself as fetish, as *supra-sensual* sensual thing. The essence of the commodity is a non-essence, abstract labor. The individual who bows to such a non-essence is caught up in ideological consciousness. This ideological consciousness, however, cannot be broken through in the theoretical relation of the market. This possibility is only generated in the practical relation of the private domain.

In the private domain, the individual is not (ideologically) valid as a pure, free person, but rather as a living person. The forms of relation through which the living person passes can once again be interpreted as the materialistic version of the development of Hegel's second moment of *Morality, Intention and Welfare*. We have seen that in this development, the moments of *Self-Consciousness* are in some sense repeated, namely, by starting from the absolute insight into pure freedom. In Marx, too, the moments of *Self-Consciousness* are repeated in some way, namely, by starting from the insight into the non-essence, abstract labor.

The first moment which the living person in the private domain passes through is the materialistic counterpart of *Desire*. The living person has to survive, and can only retain abstract labor as his essence if the satisfactions of his needs is guaranteed. However, these needs always return, so that abstract labor cannot become valid as essence in this relation.

The second moment which the living person in the private domain passes through is the materialistic counterpart of the *life-and death struggle for recognition*. We have discussed how the subject of *Intention and Welfare* became entangled in the dialectics of *wealth* and *state-power*. This is also the case for the living person in the labor process. If he wants to prove that he is concerned with general wealth (abstract labor, cf. state-power) and not with the wealth needed for individual survival, he can only prove this absolutely if he literally works himself to death. At that moment, however, he is lost as a living person. The recognition of the proletarian as a living person cannot coincide with the being-essential of the non-essence.

89 Cobben 2009, p. 177.

The last moment that the living person passes through is the materialistic counterpart of the lord/bondsman relation. The proletarian submits to the labor process and is involved in a process of education. What is only executed in a theoretical manner in the market is executed in practice in this process of education: the Copernican turn in which the subject learns that abstract labor is the essence of the commodity. In the practical education of the labor process, the Copernican turn is executed in reality. The activity of the real individual becomes real abstract labor: labor at the production line, in other words, labor which has no quality and which represents nothing more than the expression of physical work.

Marx demonstrates better than Hegel that this process of education has not only a subjective, but also an objective side. We have discussed how, according to Marx, the becoming-real of abstract labor is the result of a process of the ongoing division of labor. This process cumulates in the separation between manual and intellectual labor. Marx explains, in a more precise way than Hegel, how the qualities of the individual are objectified in the labor process under the conditions of the separation of manual and intellectual labor (as once the monks objectified their spiritual and corporeal qualities in the ecclesiastical rituals). Ultimately, only an abstract activity remains for the laboring individual. Therefore, the counterpart of theoretical and practical education is the 'education' (*Bildung*) of the production apparatus.

Incidentally, Marx can already appeal to the observations made by Hegel in the *System of Needs* in order to support his thesis that abstract labor has become real, and that this realization coincides with the objectification of spiritual and corporeal qualities in the production apparatus. On the one hand, Hegel distinguishes wage labor from labor in which an intellectual component is integrated. For intellectual labor, the salary which is paid is only a symbolic compensation for the intellectual activity which ultimately has infinite value. Wage labor, on the contrary, can be measured by the amount of hours worked.⁹⁰ Therefore, wage labor is realized abstract labor. For this reason, Hegel states that the wage laborer can easily switch from one sector to another,⁹¹ and is therefore extremely mobile. On the other hand, Hegel already points out that technological development will escalate under the influence of the competition in the market, and that this development will ultimately result in the automation of the production process.⁹²

90 In the "contract for wages" the alienation of productive capacity is restricted in time (PhoR, § 80). Since the work of the wage laborer is rendered "more and more mechanical" (PhoR, § 198) it can be measured in units of time.

91 "...the result is the creation of a rabble." (PhoR, § 244).

92 "...until finally man is able to step aside and install machines in his place." (PhoR, § 198).

For both Hegel and Marx, the automation of the production process and the realization of abstract labor lead to the supplantation of labor which cannot be compensated for by new labor positions in the *System of Needs*. Hegel argues that, in spite of the huge growth of wealth, civil society is clearly not wealthy enough for all.⁹³ He does not expect that the market will be able to create enough new labor positions to compensate for the supplantation of labor through the development of new use values. He also does not think that the creation of labor positions by the government or the provision of benefits can offer a solution. The first proposal merely disrupts the effectual operation of the market,⁹⁴ and the second proposal is damaging to the freedom of the person, because income is no longer the result of free activity.⁹⁵ He therefore concludes that those who cannot be accommodated in the market have to establish a new society elsewhere (*Kolonisation*).⁹⁶ Marx also thinks that the market cannot compensate for the supplantation of labor. While it is true that he states that the development of new use values is “geschichtlicher Tat” (historical action),⁹⁷ the new markets created thereby only have a limited range. After all, the market ensures that wages are reduced to the minimum necessary for physical existence and that working hours are extended to the limits of what is physically possible.⁹⁸ Therefore, wage labor will not be the consumer of these new markets.

For Marx, the education of the *System of Needs* does not result in the transition into the state, but rather in *Verelendung* and the generation of proletarian class-consciousness, or, in Hegel's terminology, the *Empörung*⁹⁹ of the serving consciousness. The proletarian who comprehends that the mechanisms of the market have rendered him totally superfluous (and that the ultimate consequence of this is starvation) is able to break through the ideological consciousness of the free market. Finally, the freedom of the person does not appear to

93 PhoR, § 245.

94 “In this event the volume of the production would be increased, but the evil consists precisely in an excess of production...” (PhoR, § 245).

95 “...this would violate the principle of civil society and the feeling of individual independence and self-respect in its individual members.” (PhoR, § 245).

96 PhoR, § 248.

97 Kapital I, p. 50.

98 It is true that Marx states: “Ausser dieser rein physischen Schranke stösst die Verlängerung des Arbeitstags auf moralische Schranken.” (Kapital I, p. 246). But the capitalist refuses to accept these limits: “Der Kapitalist behauptet sein Recht als Käufer, wenn er den Arbeitstag so lang als möglich und womöglich aus einem Arbeitstag zwei zu machen sucht.” (Kapital I, p. 249).

99 PhdG, p. 282; PhoS, p. 315.

be the essence of reality. The proletarian is also a free person. Ultimately, however, this freedom appears to mean nothing. To the market he is worthless. Therefore, he can understand that the freedom of the person is merely a non-essence. The freedom of the person is only essential for the ruling class. For this class only can the realization of abstract labor coincide with the self-realization of the living person.

Conclusion

Marx's analysis of capitalist society takes the existence of the capitalist free market as its point of departure. This market consists of free persons who are related to one another by means of the exchange of commodities. With this point of departure, Marx seems to conform to a position which in the current debate could be referred to as the paradigm of recognition. Humans are autonomous beings, but this autonomy only gets real shape in a legal relation in which individuals recognize one another as free and equal persons. For Marx, however, this immediately leads to a problem. If humans are really autonomous, how is it comprehensible that they lose their autonomy in the exchange of commodities? He expresses this loss of autonomy as the fetish character of the commodity: the commodity is a *supra*-sensual sensual thing, an idol which all persons dance to the tune of. It is not the person which appears to be the free subject, but rather the commodity. To understand this reversal, Marx executes his analysis of the commodity, firstly from the perspective of the market. This makes clear that the commodity is not an objective, independent thing, but has its essence in the subject. In other words, a kind of Copernican turn is performed here. The commodities can be exchanged for one another and, therefore, they have general exchange value, or, concisely, value. To answer the question as to what value actually is, according to Marx, the turn to the subject has to be made. The commodity has value because the subject has objectified abstract labor in it. Abstract labor can be quantified with the help of working time. The more hours of abstract labor objectified in the commodity, the higher its value.

Abstract labor is introduced as a theoretical concept which corresponds to the workings of the market. The market gauges the value of use values. The greater the demand is, the higher the value. All commodities in the market are products of labor. If a specific use value acquires more value because the demand for it becomes greater, labor will be reallocated: more labor will be utilized to produce this specific use value. In this way, the value of the commodity ultimately fluctuates in accordance with the amount of abstract labor

which is utilized for its production. Abstract labor is unqualified labor. After all, in the ongoing reallocation of labor, labor becomes valid as labor which can be utilized again and again in other domains.

The Copernican turn executed in the market only seems to affirm the autonomy of the persons in the market. It is these persons who compare the value of the commodities in the market and this comparison ultimately determines the allocation of labor. This also means that this analysis will not suffice to understand the fetish character of the commodities. This latter insight is only possible if the perspective of the market is laid aside. The perspective of the market is a one-sided, theoretical point of view. In the market, persons simply make a theoretical comparison between the value of commodities. For them, the commodities are immediately given. How commodities are produced is not considered from the perspective of the market. Persons are simply theoretical beings who compare value based on subjective preferences of which they have no deeper understanding. This changes only if the perspective of the market is laid aside and persons are also considered to be practical beings. As practical beings, persons are living and have to take actions in order to survive. Under capitalist circumstances, according to Marx, this practical dimension acquires shape in the private domain. This is not only the domain of the family in which the individual reproduces himself as a corporeal being, but also the domain of labor in which the individual reproduces himself as a laboring being. The reproduction of the private domain is mediated through the market. In the market, the individual can buy the commodities he needs to survive and, in the market, goods which are produced in the production process are supplied as commodities.

In the private domain, the subjectivist appearance of the value determination in the market can be broken through. As a living being, the individual belongs to a community. This community has a specific interpretation of the good life. This interpretation of the good life is the encompassing framework in which the use value of things ultimately has any meaning at all. For the production of use values, too, the community has an essential meaning. Human labor is characterized by the division of labor. Precisely this division of labor enables human beings to produce more than is necessary for their physical survival. Precisely by considering the human being as a living being, it becomes clear that the freedom of the person is an ideological concept. As living beings, humans are dependent on a strange power, namely nature. Ultimately, the human being is not autonomous as a moral being. Autonomy is only conceivable if the power of nature is overcome. As long as this is not the case, the power of nature will undermine freedom, in other words, the law of the person.

As living beings, humans are natural beings. As long as nature confronts the human being as a strange being, the human being contradicts himself. His content (being natural) contradicts his form (being related to nature). Therefore, Marx thinks that the human being is involved in a natural process of development in which this contradiction is overcome. He describes this natural process of development as a process of the division of labor. In the capitalist society, the division of labor has reached its highest stage: the separation of intellectual and manual labor.¹⁰⁰ Therefore, the process of the division of labor can be understood as a process in which the Copernican turn is practically executed.

The practical execution of the Copernican turn shows the real character of the person's freedom. It is the freedom which is produced after objectifying all spiritual and corporeal qualifications of the worker in the labor process. After this, for the worker, only abstract, lifeless activity remains. Freedom means: being 'freed' from life, resulting in death in the final instance. Real freedom is not conceivable under the conditions of the free market.

We have discussed how Marx borrows the scheme of his analysis from the development which Hegel executes in the *Consciousness* and *Self-Consciousness* chapters of the *Phenomenology of Spirit* and from the development of *Abstract Right* and *Morality* in the *Philosophy of Right*. We have also discussed how his conception of the concrete reality of the market corresponds to Hegel's analysis of the *Realm of Culture* (cf. *Phenomenology of Spirit*) and the *System of Needs* (cf. *Philosophy of Right*). The central point is that Marx executes a materialist reversal of Hegel's thought: Hegel's point of departure, the absolute concept of pure freedom, is revealed as an essence which becomes valid in the alienated world of capitalist society.

Although Hegel's elaboration of the *System of Needs* seems to sustain Marx's criticism (*civil society* is not wealthy enough for all; wage labor is measured in time and is characterized as labor which can be replaced through machines), this criticism is nevertheless not convincing. While Hegel dedicates the whole *Phenomenology of Spirit* to the justification of his point of departure, namely the absolute concept of pure freedom, Marx does not deliver a comparable justification for his point of departure. He starts with the analysis of the capitalist free market, but pays no attention to the history in which it is generated. Insofar as this history of origin is discussed elsewhere (in the *German Ideology*)¹⁰¹ and the capitalist free market is understood as the result of the history of the division of labor, Marx appeals to an incomprehensible materialistic dialectics.

100 Karl Marx, *Deutsche Ideologie*, p. 31.

101 Ibidem, p. 28 ff.

Humans are natural beings who cannot be done justice to in their adequate form as natural beings. The development to this adequate form cannot be understood as a *natural* (*naturwüchsig*) process,¹⁰² a process in which nature coheres with itself as nature. This is in contrast to the dialectic Hegel develops between freedom and nature. He already understands freedom throughout as the absolute essence of nature; from the position of freedom, nature can be understood as such, that is, as nature. The historical process can be understood as the development in which the insight into freedom as the essence of nature can actually appear.

Incidentally, Marx also appeals to the absolute concept of freedom, not only in the *Economic-Philosophical Manuscripts* in which he conceives of the aesthetic relation to nature as a relation which presupposes true freedom (the human being is able to evaluate nature according to a measure which is inherent to it),¹⁰³ but also, and more importantly in this context, in his theory of revolution. Marx concludes that true freedom can only be realized in communist society, in other words, in a society in which the free market is overcome. However, the manner in which the post-revolutionary society should be understood remains extremely problematic. It seems to be a position in which the general will can immediately be realized, that is, without mediation by the market.¹⁰⁴ The problems of this position have become clear in “really existing socialism” in which the communist party pretended to represent the general will of the people (without evidence that this was also the opinion of the people themselves). In *Abstract Right*, Hegel discussed how the immediate realization of general freedom is tied to a coincidental content. The development of *Morality* and *Ethical Life* is needed to systematically unify general freedom with its content. If this development fails to arise, Marx actually falls back into a one-sided form of recognition: recognition which is understood as a person/person relation without the awareness that this relation is mediated through the relation to nature. Currently, for example, this position is represented by Axel Honneth. It is, in fact, precisely in this interpretation of recognition that an ideological position of freedom is articulated.¹⁰⁵ Hegel, in particular,

102 Ibidem, p. 31.

103 Karl Marx, *Pariser Manuskripte*, p. 57: “Das Tier formiert nur nach dem Mass und dem Bedürfnis der species, der es angehört, während der Mensch nach dem Mass jeder species zu produzieren weiss und überall das inhärente Mass dem Gegenstand anzulegen weiss; der Mensch formiert daher auch nach den Gesetzen der Schönheit.”

104 Schmidt am Busch (2012), p. 118: “Wie weiter unten gezeigt werden wird, handelt es sich bei ihr vielmehr um eine Verallgemeinerung der Hegel’schen Theorie von Liebes- und Familienbeziehungen.”

105 Cobben (2012), p. 91 ff.

overcomes this ideological position by explicitly elaborating upon the manner in which the person/person relation can be reconciled with its relation to nature without contradiction.

This, however, does not imply that Marx's criticism of Hegel must not be taken seriously. Hegel's conclusion that civil society is not wealthy enough for all clearly contradicts his point of departure, namely the freedom and equality of all. It is true that Hegel could object that "being not wealthy enough" does not mean that he declares some people to be superfluous. After all, his thesis is that laborers who cannot be absorbed through the market have to constitute a new society elsewhere. This, however, leads to "schlechte Unendlichkeit"—to an endless series of new societies. It has become obvious, more so than in Hegel's time, that this does not offer a solution, not only because the contemporary globalized world has shown that these problems cannot be exported, but also because the boundaries of our world have become clear. Free society has to be understood as a *sustainable* society, as true substance. Since the realization of freedom can also only be conceived of in a substantial society for Hegel, the elaboration he gives in his *Philosophy of Right* on the *System of Needs* must essentially be wrong. In the next chapter, we will investigate this.

Hegel's Determination of Value at the Level of *Abstract Right* in the Light of Marx's Criticism

Introduction

We have discussed how the realization of the free person in the *Philosophy of Right* leads, according to Marx, to the realization of a non-essence—to Capital which is understood as the self-realization of abstract labor. At the same time, we have observed that the free person is, for Hegel, the absolute, pure essence. If it is really possible, as claimed above, to find a point in the *Philosophy of Right* which would justify Marx's criticism of Hegel, this can only mean that Hegel has made a fault somewhere in the development of the self-realization of absolute essence. After all, the systematic development of the self-realization of absolute essence cannot lead to a non-essence. In this chapter, I will investigate the extent to which Hegel's conception of value at the level of *Abstract Right* is already the basis for Marx's criticism.

Use Value and the Good Life

Marx determines the use value of the commodity as the utility which the commodity has for the satisfaction of the person's needs. In fact, one should conclude that this determination of value is already ideological, that is, that it is directed towards the determination of use value under the relations of the alienated capitalist society. Use value cannot be determined in relation to the free person at the outset, because the free person has, historically, not developed himself yet. We have argued that the human being can only be conceived of without contradiction as unity of mind and body at the level of a social organism. The human being is the bondsman who serves the law of the social organism. The law of the social organism defines the telos of human action and thus the content of the good life. The content of the good life determines what has use value. Goods and services which can be used in the service of the good life have use value, goods and services which cannot have no use value.

Initially, the content of the social organism and the good life is only contingent, given by tradition. The traditionally given law of the social organism determines the rights and duties of the individuals who participate in this

organism. The social organism is a cultural community in which everybody has their appropriate place. The cultural community is a system of labor division in which everybody has to perform their specific task. One's specific place within the system of labor division not only determines the prestige and esteem of particular individuals, but also their share in the use values which are produced by the social organism in its entirety. A baker, for example, has a living standard which is determined by tradition. When he performs his work as a baker properly, the social organism enables him to live in accordance with the living standard which tradition assigns to the baker.

A traditional society which can be described in the foregoing manner is actually a sustainable society.

The content of the good life is determined, and the institutions of the social organism are not only oriented towards the realization of the good life, but also to its reproduction from generation to generation. Nevertheless, these traditional societies are also subject to developments which are the result of all sorts of contingent factors. The growth and decline of the population, the exhaustion of natural resources, the discovery of new natural resources, the development of new technologies and struggles with other societies can all result in the evolution of the law of the social organism. However, we have also observed that the most important force leading to social development does not come from outside, but rather from inside. Individuals who serve the social organism as bondsmen can only do this when they are internally free: those who cannot master their instincts are unable to obey a law. Therefore, this will sooner or later lead to the development of a social law which allows room for individual freedom.

The beginning of the development of individual freedom is already discussed by Aristotle under the term *chrematistics*.¹⁰⁶ The economy of the family can be specialized into the production of certain products. A portion of these products are destined for own use and another portion is exchanged with products produced by other families. This form of the division of labor can be profitable for all the families involved. Specialization can lead to more efficient production, and through mutual exchange, each family can nevertheless obtain all the use values necessary for participation in the good life, in other words, all the use values necessary for living in accordance with the living standard of the prevailing tradition. The exchange relation between goods and services is more or less determined by convention. You cut my hair, and in exchange I give you two loaves of bread. Under the influence of supply and demand, a variation in the exchange ratio is conceivable

106 Berns, pp. 32–34. See also *Kapital* I, p. 167: "Es gibt aber eine zweite Erwerbskunst, die vorzugsweise und mit Recht *Chrematistik* heisst, in Folge deren keine Grenze des Reichtums und Besitzes zu existieren scheint."

(there is a lack of barbers, the harvest of grain is abundant), but this variation does not fundamentally influence the family economy. What use values are necessary is more or less fixed through the determination of the good life. This changes, however, with chrematistics. This pertains when family economies systematically produce more than is necessary for satisfying (immediately or by means of exchange) their own needs. By selling the remainder and converting it into money, it becomes possible to accumulate property. Aristotle warns against chrematistics because it can eventually undermine the stable relations of tradition.

Chrematistics breaks through the direct link between the good life and the determination of use values. Money enables one to buy use values without the requirement that the consumption of use values is embedded in a traditionally given pattern of the satisfaction of needs. Those who have money are able to determine for themselves when to spend their money, and the traditionally given pattern of the satisfaction of needs is thereby ruptured. Nevertheless, money cannot be understood under these circumstances as the bearer of general exchange value. After all, money still functions in a context in which use values are tied to tradition, and in which the general market, wherein all use values are compared to all other use values, has still not been developed. The mutual ratio in which use values are exchanged, or the money value of use values, is still determined contingently.

Under which conditions does it make sense to speak about general use value, in other words, to speak about the price of commodities? The answer seems to be clear: this is only possible if the restraints of tradition are overcome. As long as the good life is the measure for what can acquire legitimacy as a use value, the exchange ratio of use values is also determined by the good life. The universal comparison of all use values to all other use values is only possible if the point of view of a specific tradition is overcome. Therefore, Hegel and Marx are right when they only speak about the value of commodities, in other words, about their general use value, in relation to the free person. Only as free persons have individuals freed themselves from tradition. The question is, however, what meaning a use value can have at all, if it is disassociated from the good life. Since Marx rightly remarks that nothing can have value which has no use value, this simultaneously implies the question as to what the meaning of value can be if it is detached from tradition.

Universal Value in Relation to Use Value

In § 63 of the *Philosophy of Right*, Hegel determines the relation between universal value and use value. Like Marx, he deduces the value of the property from its use value:

Die Sache im Gebrauch ist eine einzelne nach Qualität und Quantität bestimmte und in Beziehung auf ein spezifisches Bedürfnis. Aber ihre spezifische Brauchbarkeit ist zugleich als *quantitativ* bestimmt *vergleichbar* mit anderen Sachen von derselben Brauchbarkeit, so wie das spezifische Bedürfnis, dem sie dient, zugleich *Bedürfnis überhaupt* und darin nach seiner Besonderheit ebenso mit anderen Bedürfnissen vergleichbar ist und danach auch die Sache mit solchen, die für andere Bedürfnissen vergleichbar sind. Diese ihre *Allgemeinheit*, deren einfache Bestimmtheit aus der Partikularität der Sache hervorgeht, so dass von dieser spezifischen Qualität zugleich abstrahiert wird, ist der *Wert* der Sache, worin ihre wahrhafte Substantialität *bestimmt* und Gegenstand des Bewusstseins ist. Als voller Eigentümer der Sache bin ich es ebenso von ihrem *Werte* als von dem Gebrauche derselben.¹⁰⁷

The thing as property can have a specific use value. Insofar as other things have the same use value, the thing is comparable to other things and, therefore, can be exchanged with other things in a certain quantitative ratio. Moreover, the thing is, as use value, related to a specific need which can be compared to other needs. Therefore, the thing as use value can also be compared to use values which are related to other needs and, therefore, can be exchanged with these other use values in a certain quantitative ratio. On the basis of this comparison between use values, use value as such can be determined. Like Marx (with regard to traditional society), Hegel also designates this use value as such as value tout court.

However, it remains unclear as to how it is possible to speak about use values in relation to the free person at all. After all, we have observed that the use value of things can only be determined if these things are related to a specific conception of the good life. The manner in which things can contribute to values which are valid in a specific tradition is only evident in the framework of a

107 "A thing in use is a single thing determined quantitatively and qualitatively and related to a specific need. But its specific utility, being quantitatively determinate, is at the same time comparable with [the specific utility of] other things of like utility. Similarly, the specific need which it satisfies is at the same time need in general and thus is comparable on its particular side with other needs, while the thing in virtue of the same considerations is comparable with things meeting other needs. This, the thing's universality, whose simple determinate character arises from the particularity of the thing, so that it is *eo ipse* abstracted from the thing's specific quality, is the thing's *value*, wherein its genuine substantiality becomes determinate and an object of consciousness. As full owner of the thing, I am *eo ipse* owner of its value as well of its use." (G.W.F. Hegel, *Philosophy of Right*, § 63).

specific tradition is. Marx rightly states that: "die Gebrauchsweisen der Dinge zu entdecken ist geschichtliche Tat."¹⁰⁸ The discovery of new possibilities of use is in principle an endless process. Science will continually produce new discoveries. Based on these new discoveries, new technologies will continually be developed, leading to new possibilities of use. The free person has emancipated himself from all traditional determinations. This certainly excludes the possibility that the use values of things can be limited to a specific tradition for him. But how can it be meaningful for the person to speak about use value as such, if the use value of things is involved in an endless series of new discoveries in the transformation from tradition to tradition? On what grounds is it assumed that the many comparisons between use values finally lead to *the* value of the thing?

This question can only be answered under the assumption that the value of the commodity expresses the person's free relation to the thing. The person has free disposition over the thing. This means: he can utilize the thing in any way he sees fit. Therefore, the manner in which he precisely utilizes the thing remains undetermined. He has the right to actualize all possibilities of use which will be discovered in the past, the present and the future. This also means that if he has exchanged a thing with another thing based on a specific value comparison, future comparisons of new possibilities of use are irrelevant. One who discovers new use values has developed new insights into the physical properties of things, but cannot on these grounds claim the right to use all things with these physical properties in this manner. The right of utilization is due to the person who owns the value of the thing. I will, incidentally, return to this problem in Chapter 8 when the meaning of patents is discussed.

The foregoing interpretation seems to be affirmed in § 74 in which Hegel describes the exchange act between free persons:

Dies Verhältnis ist somit die Vermittlung eines in der absoluten Unterscheidung fürsichseiender Eigentümer identischen Willens und enthält, dass jeder mit seinem und des anderen Willen *aufhört*, Eigentümer zu sein, es *bleibt* und es *wird*;—die Vermittlung des Willens, ein und zwar einzelnes Eigentum aufzugeben, und des Willens, ein solches, hiermit das eines anderen, anzunehmen, und zwar in dem identischen Zusammenhange, dass das eine Wollen nur zum Entschluss kommt, insofern das andere Wollen vorhanden ist.¹⁰⁹

¹⁰⁸ Kapital I, p. 50.

¹⁰⁹ "This contractual relationship, is the means whereby one identical will can persist within the absolute difference between independent property owners. It implies that each, in

This in particular makes clear that the thing as property expresses the *freedom* of the person. This is independent from the specific value that a property has, although it is not independent from exchange. Exchange explicates the person's free relation to the thing. It is true that freedom cannot express itself without the thing, but it is irrelevant as to *which* thing expresses freedom. The thing which expresses freedom can unproblematically be replaced by another thing. In one sense, this was already the case (after all, the property of the person is not qualitatively determined), but it is now explicitly posited by means of free will. In the exchange act, it also becomes explicit by means of free will that the specific quality of the thing in which freedom expresses itself is irrelevant.

The relation of *Contract* illustrates that philosophy of consciousness, as it is termed by Habermas, which starts from the fundamental relation of subject to object (here: of person to thing), is rooted in a relation of recognition, in other words a subject/subject relation (here: a relation from person to person). The person has to express his freedom in the thing, but this can only be adequately established if this expression is recognized by other persons. The exchange relation makes this recognition explicit. Only in exchange is the moment of generality (the negative freedom of the person towards the thing) objectively expressed. The person distinguishes himself from the thing. In his distinction from the thing as thing, however, the person is related to another person. In Hegel, the relation of subject to subject cannot be separated from the relation of the subject to nature. Nevertheless, it is not immediately clear that this interpretation also holds with respect to what Hegel states in § 77:

Indem jeder im reellen Verträge *dasselbe* Eigentum behält, mit welchem er eintritt und welches er zugleich aufgibt, so unterscheidet sich jenes *identisch* bleibende als das im Verträge *an sich* seiende Eigentum von den äusserlichen Sachen, welche im Tausch ihren Eigentümer verändern. Jenes ist der *Wert*, in welchem die Vertragsgegenstände bei aller qualitativen äusseren Verschiedenheit der Sachen einander *gleich* sind, das *Allgemeine* derselben (§ 63).¹¹⁰

accordance with the common will of both, ceases to be an owner and yet is and remains one. It is the mediation of the will to give up a property, a single property, and the will to take up another, i.e. another belonging to someone else; and this mediation takes place when the two wills are associated in an identity in the sense that one of them comes to its decision only in the presence of the other." (PhoR, § 74).

110 "Since in real contract each party retains the same property with which he enters the contract and which at the same time he surrenders, what thus remains identical throughout as the property implicit in the contract is distinct from external things whose owners alter when the exchange is made. What remains identical is the value, in respect of which

Does this not mean that the person must really be able to determine the value of the thing? How could an exchange act be executed without this knowledge? The person has to exchange value with value. Nevertheless, it is once again possible to show how this interpretation can be saved. Hegel explicitly states that, at the level of *Abstract Right*, "Wrong" (*Unrecht*)¹¹¹ cannot be excluded. By this he means that the general will, as expressed at the level of *Abstract Right*, need not coincide with the particular will of the individual who functions as person. Undoubtedly, the determination of the use value of the commodity is executed by a particular will. After all, the character of the use value of properties is always historically situated. Therefore, it becomes clear at the level of *Wrong* that the determination of value is impossible at the level of *Abstract Right*. This also means the assertion of § 77 has a normative status. The exchange is only fair if the things exchanged are identical in value. Only under this condition can justice be done to the equality of the persons. However, the meaning of the exchange of equal values cannot yet be determined more specifically at the level of *Abstract Right*. In order to define the exchange act between concrete individuals, the realization of free will in its concrete entirety must be developed.

Marx and the Equal Exchange between Persons

Marx also states that the exchange between free persons is essentially an exchange of commodities of equal value. Marx's methodological approach, however, is a reversal of Hegel's. He does not proceed as Hegel does by starting with the absolute concept of freedom, followed by the consideration of the question as to how this freedom can be realized and finally the consideration of the question as to the conditions under which free persons can exchange commodities of equal value. Rather, Marx starts from the factum of equal exchange between free persons, and then raises the question as to whether the freedom of the person has any meaning under these conditions. We have noted that his conclusion is that, under these conditions, the person's freedom is ideological.¹¹²

the subjects of the contract are equal to one another whatever the qualitative external differences of the things exchanged. Value is the universal in which the subjects of the contract participate (see Paragraph 63)." (PhoR, § 77).

111 PhoR, §§ 82–103.

112 Quante (2013, 717): "Marx extracted from Hegel's *Philosophy of Right* the idea that the social interaction between the parties to a contract that is mediated by (or through) things constitutes a specific form of recognition. In contrast to Hegel, who claimed this to be the ontological basis and the source of the validity of abstract right, Marx takes it as an

In a sense, Hegel could agree with Marx's conclusion. He also thinks that the exchange of equal values cannot be understood under the conditions of *Abstract Right*. In that case, it is unproblematic to argue that whoever thinks otherwise is trapped in ideological consciousness. After all, the insight that the true realization of freedom requires further development fails. The relation of *Abstract Right* is only a moment in the realization of freedom and may not be understood as a real relation in which freedom is fully realized. Marx, however, actually interprets the relation between free persons as a real relation, namely as a relation in which the equal exchange of commodities acquires a real shape.¹¹³ It is true that Marx argues that the relations of the market are only conceivable if specific conditions are fulfilled. He characterizes the relations of the market as social relations which belong in the public domain. He distinguishes this public domain from the private domain—the domain of the family and production.¹¹⁴ In contrast to Hegel, this private domain does not concretize the manner in which the exchange of values can adequately be conceptualized, but rather shows the material *basis* of the ideology of equality between persons in the market.¹¹⁵ The freedom of the person is not a normative, absolute point of departure, but rather a specific, historical point of departure, namely the point of departure of the capitalist world. Measured in comparison to real freedom, the point of departure of capitalist society is ideological freedom.¹¹⁶

expression of an estranged-estranging interaction in which human beings become estranged from one another and from their species being."

- 113 Kapital I, p. 88: "Indem sie ihre verschiedenartigen Produkte einander im Austausch als Werte gleichsetzen, setzen sie ihre verschiednen Arbeiten einander als menschliche Arbeit gleich. Sie wissen das nicht aber sie tun es." ["...whenever, by an exchange, we equate as values our different products, by that very act, we also equate, as human labour, the different kinds of labour expended upon them. We are not aware of this, nevertheless we do it."].
- 114 Kapital I, p. 102: "Damit diese Veräußerung wechselseitig, brauchen Menschen nur stillschweigend sich als Privateigentümer jener veräußerlichen Dinge und eben dadurch als voneinander unabhängige Personen gegenüberzutreten. Solch ein Verhältnis wechselseitiger Fremdheit existiert jedoch nicht für die Glieder eines naturwüchsigen Gemeinwesens, ...".
- 115 Kapital I, p. 90: "Derartige Formen bilden eben die Kategorien der bürgerlichen Ökonomie. Es sind gesellschaftlich gültige, also objective Gedankenformen für die Produktionsverhältnisse dieser historisch bestimmten gesellschaftlichen Produktionsweise, der Warenproduktion." ["The categories of bourgeois economy consist of such like forms. They are forms of thought expressing with social validity the conditions and relations of a definite, historically mode of production, viz., the production of commodities."].
- 116 Lindner (2013): "Das Kritikmodell der Normimmanenz kommt für Marx im *Kapital* deshalb nicht im Frage, weil er die normativen Standards der kapitalistischen Produktionsweise mit negativer Freiheit und formaler Gleichheit identifiziert." (p. 348).

Nevertheless, it still seems possible to align Hegel and Marx. Hegel also measures the realization of freedom at the level of *Abstract Right* by a comparison to true freedom: the absolute concept of the free person. Does this not justify the conclusion that capitalism is a form of society in which an abstract moment of the realization of freedom is made absolute, and that this denotes its ideological character? We have already argued, however, that this position is untenable. After all, Marx thinks that there is no place for the free market in communist society, that is, in the society in which true freedom is realized. Ideological freedom seems to be something other than making an abstract moment of the realization of freedom absolute. We have to embark upon a closer analysis of what precisely is meant by ideological freedom in the Marxist sense.

We have observed that Marx assumes that the exchange of commodities between persons in the free market is indeed characterized by the exchange of equal values. Moreover, we observed that, from Hegel's perspective, the persons in the market are actually not able to determine the value of commodities. Therefore, two possibilities seem to arise. Either Marx unjustifiably thinks that the person can determine the value of commodities in the market, or Marx has an alternative conception of value. In fact, we have seen that Marx takes up a third position. Marx does not think that the person in the market can determine the value of commodities. However, by actually exchanging commodities in the market, persons practically situate the commodities in a relation of exchange. In a particular case, the exchange need not be the exchange of equal value for equal value. Under the influence of competition in the market, however, the ratio in which the use values are exchanged in particular acts will over the long term fluctuate in such a manner that *grosso modo* value is exchanged for value. We will later see that Marx's conception of value is actually distinct from Hegel's conception of value.

Is a human being able to know all the possibilities of use of a thing at all? We have observed that use value is related to a situated, in other words, a finite, position. Therefore, knowledge of all the possibilities of use presupposes that an endless series of finite positions are occupied.¹¹⁷ As a result of the endlessness of this series, however, we will never be able to recognize value (in the Hegelian sense). The value of the thing slips from us like the thing in itself.¹¹⁸

117 "Owing to the qualitative differences between natural objects, mastery and occupancy of these has an infinite variety of meanings and involves a restriction and contingency that is just as infinite." (PhoR, § 52).

118 "The empty abstraction of a matter without properties which, when a thing is my property, is supposed to remain outside me and the property of the thing, is one which thought must master." (PhoR, § 52).

To recognize the value of the thing, we would have to, as it were, overcome our finitude. We would need to have at our disposal, in Kant's words, intellectual intuition: the commodities would not only appear as given to us by sensual intuition. It is not for nothing that Kant assigns intellectual intuition to a divine being, that is, to a being for whom the intuition of things coincides with his creation of them.¹¹⁹ Only such a superior, divine power could have knowledge of things in all their subtlety. Only a superior, divine power would be able to know the value of things.

It is clearly not the case that Marx, from his materialist and atheist position, would want to determine the value of commodities via an appeal to a superior, divine power. Nevertheless, we have seen that Marx actually designs a human version of such a superior, divine power. For let us remind ourselves of the manner in which Marx deduced the determination of value to be abstract labor. Marx observed that the free person in the capitalist market is related to the commodity as a *supra*-sensual sensual thing. It is true that the thing is not a noumenal being, a thing-in-itself, but nevertheless it is a *supra*-sensual being, a substance that has divine independence. In some ways, the commodity is the image of the free person. In his freedom, the person is a substantial being which also allows the natural things, to which it is related, to exist as substantial beings. Insofar as the independent thing is a fetish for Marx, the counterpart of this fetish is the ideological freedom of the person. However, Marx does not return to a kind of Cartesian dualism of substances. The relation from person to commodity is distinguished from the relation between *res cogitans* and *res extensa*. In the determination of the value of the commodity, Marx has performed a kind of materialistic version of the Copernican turn.

Kant reduces the unity of the object of cognition to the transcendental subject, the bearer of the action of synthesis in which the object of cognition is constituted. Analogously, Marx reduces the unity of the commodity to the subject; not, this time, to the transcendental subject, but rather to the laboring subject. The laboring subject does not constitute the object of cognition, but produces the real commodity. Commodities are comparable because they are all products of labor. To quantitatively compare the labor which underlies the production of one commodity to the labor which underlies the production of another commodity, it is necessary to abstract from the determinate content of labor—from the determination which is responsible for the specific physical

119 I. Kant, KdrV p. 90: "Das Bewusstsein seiner selbst (Apperzeption) ist die einfache Vorstellung des Ich, und, wenn dadurch allein alles Mannigfaltige im Subjekt *selbsttätig* gegeben wäre, so würde die innere Anschauung intellectuell sein."... "(und die, soviel wir einsehen, nur dem Urwesen zukommen kann)." (p. 92).

qualities of the product of labor. Once this abstraction has been executed, according to Marx, only 'abstract labor' remains, in other words, labor which can be measured by the amount of invested labor time. The value of the commodity is determined by the amount of abstract labor objectified in the commodity.

This elucidates the manner in which Marx tries to develop an alternative to the divine, superior power. The human being is not a god who is able to create a world of things. He is a finite being who is related to a given world of things. As immediately given, these things are substances. Nevertheless, the human being as person is able to freely relate to the things. It is true that he knows that he is not the creator, but rather the producer of commodities. Practically, he transcends his finitude in relation to the commodity. As a source of abstract labor, he himself is the essence of the commodity. After all, in its relation to the free person, the commodity is nothing more than a certain amount of objectified abstract labor. From this it appears that the human being is not *only* finite. His infinitude appears in his ability to transform abstract labor into any concrete commodity. He practically transcends his finitude in his relation to the commodity because he is able to understand himself, as the source of abstract labor, as the essence of the commodity.

As the source of abstract labor, all persons are equal. These persons are also free, for commodities are not just given substances, but rather *supra*-sensual sensual things. Commodities have a fetish character precisely because they are nothing more than the objectification of the person's own essence, that is, abstract labor.

It now seems possible to measure the value of the commodity, namely as an amount of labor time. Nevertheless, the determination of value is no more tangible than it was in Hegel. Abstract labor is only abstract labor if it can be understood as the essence of commodity-producing labor. A commodity is only a commodity if it has use value. However, since the discovery of use value is a "geschichtliche Tat" (historical act),¹²⁰ this determination also remains dependent on an endless historical development. Moreover, Marx states that the value of the commodity is not just dependent on the amount of abstract labor which is actually objectified in it, but rather on the amount of abstract labor which is needed to produce the commodity under the prevailing state of productive forces.¹²¹ If labor is spoiled because the available technological development is

¹²⁰ Kapital I, p. 50.

¹²¹ Kapital I, p. 89: "...weil sich in den zufälligen und stets schwankenden Austauschverhältnissen ihrer Produkte die zu deren Produktion gesellschaftlich notwendigen Arbeitszeit als regelndes Naturgesetz gewaltsam durchsetzt." ["Because, in the midst of all the accidental

not utilized, it does not contribute to the production of value. Just as in Hegel, whether value is exchanged for value in the exchange of commodities between persons cannot simply be observed.

Just as the free person is the essence of property for Hegel, so too is the free person the essence of the commodity for Marx. In Hegel, however, the being-essence of the person is based on the absolute insight into the freedom which precedes all more specifically realized forms of freedom. In Marx, the freedom of the person is understood by characterizing him as the 'source of abstract labor'. As the source of abstract labor, however, the person is already placed in a historically specific context, namely the capitalist free market.

The Determination of Abstract Labor at the Level of the Market

What is abstract labor? Abstract labor can no more be determined at the level of the market in Marx than value can be determined at the level of *Abstract Right* in Hegel. "Bisher hat noch kein Chemiker Tauschwert in Perle oder Diamant entdeckt" (Kapital, p. 98)¹²² remarks Marx ironically. Of course, this is correct. Value has to do with the exchange relation between free persons—with an intersubjective relation—and is not a property of the object, the commodity. This is comparable to Hegel's determination of value. Value has to do with the free relation of the person to property. Nevertheless, Marx encounters a problem which was not present for Hegel. Since Marx has transformed the freedom of the person into the person as the source of abstract labor, the freedom of the person towards the commodity can no longer be understood as openness to the particular nature of the commodity. The freedom of the person has to be understood as the freedom to transform abstract labor into any form of concrete labor. Marx's freedom of the person is the freedom to transform the thing into any use value. The precise process of the transformation of abstract into concrete labor, however, transcends the perspective of the market.

We have observed that Marx thinks the internal coherence between abstract and concrete labor can be understood in the domain of production. This implies that the freedom of abstract labor that characterizes the capitalist market is tied to a historical process of development, namely the division of labor. Only if the division of labor has reached its highest stage, namely the

and ever fluctuating exchange relations between the products, the labour time socially necessary for the production forcibly asserts itself like an over-riding law of Nature."].

122 ["So far no chemist has ever discovered exchange value in a pearl or diamond."].

separation of manual and intellectual labor,¹²³ can the manner in which abstract labor is transformed into concrete labor be discerned. The separation between manual and intellectual labor has resulted in a production process in which the spiritual and corporeal aspects of labor are torn apart. The spiritual aspect of labor is objectified in the technology of the labor process, in advanced machinery and the efficient organization of labor. The corporeal aspect of labor consists of pure physical power—labor actions which do not have any quality in themselves because their quality is determined by the technology present in the labor process. In this manual labor, abstract labor acquires a real shape. It is labor which can be measured in units of time and which can be used for the production of any use value.¹²⁴

Nevertheless, the question remains as to whether the separation between manual and intellectual labor is a sufficient explanation for Marx's labor theory of value. The separation shows that abstract labor only has meaning in relation to labor of another kind, namely, the labor needed for the development of the science and technology which underlie the production apparatus. This intellectual labor cannot, as Marx thinks, be reduced to abstract labor. After all, abstract labor only exists thanks to the abstraction of intellectual labor. This becomes meaningless if intellectual labor is in its turn explained in terms of abstract labor. Moreover, it makes no sense to measure the creative labor needed for the development of science and technology in units of time. The impact of a new invention on the economy has nothing to do with the time it takes to devise the new invention.

Marx can be given the benefit of the doubt here. It is true that intellectual labor cannot be reduced to manual labor, in other words, to real abstract labor, but perhaps, in the capitalism of Marx's time, the significance of intellectual labor was so negligible in comparison to that of manual labor that it was acceptable to neglect the influence of intellectual labor in economic models. Intellectual labor has done its job by developing a large body of technological knowledge. This knowledge is now, however, available for capital. The actual profit is made via the input of manual labor. In that case, Marx may have been correct in his criticism of the ideological character of the person's freedom in the market. This freedom only appears to be freedom. It has to be understood as the freedom of abstract labor. However, abstract labor is not autonomous, but rather dependent on its counterpart: the qualitative determinedness of intellectual labor.

123 Karl Marx, *Deutsche Ideologie*, p. 31.

124 Kapital I, p. 366: "Lieferung von gegebenem Produktionsquantum in gegebener Arbeitszeit wird dagegen in der Manufaktur technisches Gesetz des Produktionsprozesses selbst."

However, things are not improved by giving Marx the benefit of the doubt. After all, it puts his analysis into perspective: if it is valid, then it is limited to the form of capitalism in which manual labor is the prevailing form of labor. This condition, however, does not hold in contemporary capitalism. Huge investments are made in new technologies. The ongoing reorganizations which are introduced to make the labor process more efficient, and the ongoing education to which employees are subject, seem to imply that it makes little sense to base the analysis of the contemporary economic system upon a model in which labor is understood as the physical execution of power.

Marx's Conception of Value (Abstract Labor) in Comparison with Hegel's Conception

We have discussed how Hegel's conception of value at the level of *Abstract Right* is tied to presuppositions. The development of *Abstract Right* still abstracts from the determination of the particular will. As long as the determination of the particular will is not in accordance with the general will, free will can contradict itself, implying the possibility of *Wrong*. This means particularly that the value of property cannot be concretely determined at the level of *Abstract Right*. This is only possible if the moral demand is fulfilled that the particular will is determined in accordance with the general will.

However, the presupposition formulated by Hegel has a different kind of status to the presupposition made by Marx. When Marx states that the determination of value in the capitalist market requires that the division of labor must have reached its highest stage, namely the separation between intellectual and manual labor, he thereby introduces a presupposition which contradicts the universal equality of persons. Intellectual labor and manual labor exclude one another. They are not distinct forms of appearance of the same universal labor. If this is actually the necessary presupposition for the freedom and equality of the persons in the market, then the conclusion must indeed be drawn that the freedom and equality of persons is an ideological conception. After all, this conception is tied to presuppositions which contradict it. The presupposition formulated by Hegel, however, has a normative status. It explicates the necessary conditions under which the concept of value, formulated at the level of *Abstract Right*, can actually acquire validity. It does not concern actual presuppositions which can contradict the normative point of departure, but rather the explication of the normative point of departure on the basis of which existing society can be judged. Therefore, this does not imply the rejection of the freedom and equality of persons, but rather gives them a sharper explication.

In *Abstract Right* and *Morality*, Hegel develops the concept of Right, i.e., his normative point of departure. At the level of *Ethical Life*, the reality of Right is conceptualized in the form of the institutions of *family*, *civil society* and *state*. The development of civil society is particularly important for the comparison with Marx. The *System of Needs*, in which Hegel gives the conception of the free market, as elaborated by Adam Smith and Ricardo, a systematic place in the development of Right, is a moment of civil society. We have already discussed how this leads to considerations in Hegel to which Marx seems directly to relate himself. Hegel distinguishes wage labor from labor for which a salary (*Honorar*) is paid. This distinction reminds us of the distinction between intellectual and manual labor. Like Marx with regard to manual labor, Hegel also states that wage labor can be measured in units of time. Salaried labor has an intellectual component. According to Hegel, labor which includes spiritual creativity cannot meaningfully be measured in units of time.

Even more important in terms of the dialogue with Marx is Hegel's thesis that civil society is not wealthy enough for all. Through automation, labor is supplanted, without the possibility of compensating for this supplantation through the creation of new jobs. As a consequence, some free persons are superfluous, and must establish a new society by means of colonization.¹²⁵

The development of civil society is also a necessary presupposition of *Abstract Right*. Does this not mean that Marx is correct at this level? Does this development not show that Hegel, although he intends to investigate how reason is realized in his time, is unable to explain the system of the free market from this perspective? In spite of his intention, civil society appears as a system which does not do justice to the freedom and equality of persons. Does this not mean that, in agreement with Marx, the conclusion has to be drawn that there is no place for the free market in a society in which true freedom is realized? In the next chapter, we will try to answer this question by systematically mapping Hegel's development of his conception of the market.

Conclusion

We have raised the question as to whether Marx's criticism of Hegel—namely, that freedom is not the essence of the human being, but rather the non-essence—can be clarified through the concept of value at the level of *Abstract Right*. In the first section, it was argued that it is in fact not possible to determine the use value of a commodity in relation to the free person. After all, use

125 PhoR, § 248.

value is related to tradition (the *good life*), while the free person has overcome any tradition. Nevertheless (cf. the second section), Hegel seems to determine use value in relation to the person by understanding (general) value as use value as such. Under this view, value is quantifiable as a specific value in the exchange relation. This contradiction can be resolved by understanding the determination of value from the perspective of the person's free relation to the commodity. From the standpoint of this freedom, the person has the *possibility* of determining the value of the commodity.

In the third section, it was explained that Marx understands the 'freedom' of the person as the source of abstract labor. As the source of abstract labor, the person has the freedom to realize himself in many forms of concrete labor. This freedom, however, is tied to a presupposition in the domain of production, namely the separation between manual and intellectual labor. Here it appears that the freedom of abstract labor actually mirrors the reality of manual labor. Manual labor is not free labor, but rather labor which can be determined as abstraction from the quality of intellectual labor. This makes clear that abstract labor does not stand for the autonomy of the free person, but rather for the heteronomy of mechanical work.

The realization of Hegel's conception of value is also tied to presuppositions (cf. the fifth section), namely the normative (moral) demand that the particular will of the person has to realize itself in accordance with the general will. This particular will is a closer determination of the general will at the level of *Abstract Right*.

Therefore, the (ideological) freedom which Marx ties to the concept of value is completely different from the freedom of the person which, under Hegel's view, makes the determination of value possible. Value in Marx is an abstraction of *Understanding*: the freedom of abstract labor results from the abstraction from the qualitative determinedness of the workings of nature. The freedom of the person in Hegel does not oppose the moment of particularity, but rather has the freedom to determine itself as particular. Marx's abstraction of *Understanding* is tied to historically specific conditions. Therefore, the justifiability of Marx's differences with Hegel cannot be determined at the level of *Abstract Right*. It is only possible if Hegel's concept of freedom is confronted with the reality of the free market.

The *System of Needs* in the Light of Marx's Criticism

Introduction

We have discussed how Hegel develops the normative preconditions of right at the level of *Abstract Right* and *Morality*.¹²⁶ At the level of *Ethical Life*, he elaborates on the manner in which this “concept of right” is realized in the *family*, *civil society* and *state*. From a systematic perspective, the family is the immediate unity of *Abstract Right* and *Morality*, the civil society the mediated (fürsichseiende) unity of *Abstract Right* and *Morality*, and the *state* the true (an und fürsichseiende) unity. As the mediated unity of *Abstract Right* and *Morality*, *civil society* is the unity of the second moment of *Abstract Right* (*Contract*) and the second moment of *Morality* (*Intention and Welfare*).

At the level of *Ethical Life*, Hegel discusses *real* institutions. Real institutions, however, belong to a *real*, historical society. Since historical societies are always tied to contingent states of affairs, it is in principle impossible to fully deduce them, i.e., in their concrete totality, in a necessary philosophical development. Obviously, Hegel does not attempt this. He relates himself to institutions that he observes in the historical reality of his time—not necessarily to the institutions in their immediate, sociologically describable form of appearance, but rather to institutions in a kind of ideal-typical form. He investigates the extent to which the existing institutions can be understood as an expression of reason. With regard to civil society, this means that Hegel relates himself to the manifestation of the free market as he observes it in the modern countries of north-western Europe (particularly England) and tries to investigate the extent to which this free market can be reconstructed as an institution in which *Contract* and *Intention and Welfare* appear. This leads to Hegel's conception of the *System of Needs*.

We have discussed the manner in which Marx gives an ideal-typical reconstruction of the capitalist society of his time in *Capital*. According to Marx, this capitalist society has to be understood from the perspective of the relations of the free market. Therefore, the comparison of Hegel's *Philosophy of Right* to Marx's *Capital* can meaningfully be executed by confronting *Capital* with Hegel's *System of Needs*. How is Hegel's reconstruction of the *System of Needs*, as the

126 Cobben 209, p. 142. In PhOR § 1, Hegel indicates these normative conditions as the “concept of right”.

realization of a normative concept of freedom, related to Marx's reconstruction of capitalist society as the realization of abstract labor, that is, the non-essence to which Hegel's concept of freedom must be reduced, according to Marx?

The Realization of Abstract Right as a Moment of the *System of Needs*

At the level of the *System of Needs*, being-a-person is no longer a normative demand, but rather, being-a-person is realized. Therefore, the first question is how to understand these real persons. After all, real persons cannot just be understood as *natural* individuals. Natural individuals are not free; persons are not born. The existence of real persons is tied to presuppositions. Hegel has elaborated these presuppositions at the level of the family.

Hegel states that the multitude of real persons has to be understood as a multitude of real families which are represented by the heads of the family who relate to one another as free and equal persons.¹²⁷ These families are local social organisms—households in which natural individuals reproduce themselves in the form of traditional communities with shared norms and values. The children generated by these value communities are educated into becoming free persons.¹²⁸ As free persons, man and woman can establish a new family through marriage.¹²⁹ They then decide to live their future life as one (real) person.¹³⁰ This person is real in the family organism—the family household in which family members satisfy their needs and which is represented in the outside world by the man. So the real person reproduces himself as a real person at the level of the family. I will skip over here the attempt to actualize Hegel's concept of the family¹³¹ (cf. my *Nature of the Self*) and merely observe that he arrives at a position which is also relevant for our time in two respects.

127 PhoR, § 181: "The family disintegrates (both essentially, through the working of the principle of personality, and also in the course of nature) into a plurality of families, each of which conducts itself as in principle a self-subsistent concrete person and therefore as externally related to its neighbours."

128 PhoR, § 177: "The ethical dissolution of the family consists in this, that once the children have been educated to freedom of personality, and have come of age, they become recognized as persons in the eyes of the law and as capable of holding free property of their own and founding families of their own, the sons as heads of the new families, the daughters as wives."

129 PhoR, § 161.

130 PhoR, § 162.

131 See Cobben 2009, p. 155ff.

Firstly, the reproduction of real individuals is situated in a family household with a specific traditional culture. Secondly, it is the task of the family to educate the children into becoming free persons. With regard to the confrontation with Marx, I am especially interested in precisely how the free person must be conceptualized.

The real person is, in the first place, free with regard to his content. His particular will is still undetermined. This means that he has emancipated himself from the family household. The satisfaction of his needs is not tied to the traditional content of the family organism. The satisfaction of needs is mediated by exchange in the free market. Therefore, the person is related to all commodities which are supplied for exchange in the free market and he is largely able to satisfy his needs by means of these commodities. The real person is, in the second place, free with regard to his form. He is related to other persons in a relation of freedom and equality.

The freedom of the real person can be compared to the ideological freedom which Marx assigns to the wage laborer. Marx states that the wage laborer is free in a double sense: he is free from the means of production and he has the freedom to sell his labor power as a commodity.¹³² Freedom from the means of production implies that the wage laborer has freed himself from traditional ties. He is not a part of tradition; he is not even tied to any profession. This again means that, if he wants to satisfy his needs, he has to turn to the general market. Potentially, he is related to all the commodities that are supplied in the market. The freedom to sell the commodity of his labor power means that the wage laborer relates himself as a free person to other free persons in the market.

At this level, the freedom of the person does not seem to be essentially different from the freedom of the wage laborer. Both are persons and both have emancipated themselves from tradition. It is true that the wage laborer under Marx's view explicitly does not own the means of production. Hegel leaves this undecided with regard to the real person. At this level, the value of property is still undetermined. If the value of the real person's property is high, he could also be the owner of the means of production. However, the quantity of his wealth is not important for his being-a-person. Incidentally, the significance of owning, or not owning, the means of production for Marx only becomes clear in the domain of production. Only then can it become apparent that exchange in the market is not free, but rather tied to the necessity of survival. This constraint is also present in Hegel in some sense: after all, the precondition of being a real person is survival as a real individual.

¹³² Kapital I, p. 183.

If the value of the real person's property is not high enough to acquire (by means of exchange) the commodities which are necessary for survival as a real individual, then, according to Hegel too, there is no question of free exchange. Therefore, the shared presupposition of Hegel and Marx is that the realization of the freedom of free person presupposes ownership of a minimum amount of property.¹³³ Persons must have more property than is necessary strictly for survival. Obviously, this presupposition is not particularly surprising. It merely explicates that culture is not conceivable without surplus production. Only if the minimal (biological) provisions have been fulfilled is there room for culture. Generally, human beings can fulfill this condition. Precisely because humans cooperate in a social organism and utilize techniques, their labor can be more productive than the labor of animals.

The Realization of Intention and Welfare as a Moment of the *System of Needs*

The moral demand to strive for the satisfaction of one's own welfare, and to do so on the basis of insight into one's own welfare, is realized at the level of the *System of Needs*. Real persons have insight into their welfare and strive to realize this welfare by means of exchange in the free market. Therefore, we have to investigate how precisely this insight into one's own welfare has to be understood, and the manner in which the market offers the possibility of actually striving for the realization of this welfare.

In § 182 Hegel determines the particular moment of the real person as follows: "Die konkrete Person, welche sich als *besondere* Zweck ist, als ein Ganzes von Bedürfnissen und eine Vermischung von Notwendigkeit und Willkür, ist das *eine Prinzip* der bürgerlichen Gesellschaft...".¹³⁴ Initially, this moment of particularity opposes the general freedom of Abstract Right: "Die Besonderheit zunächst als das gegen das Allgemeine des Willens überhaupt Bestimmte (§ 60) ist *subjektives Bedürfnis*, welches seine Objektivität, d.i. *Befriedigung*

¹³³ PhoR, § 200: "A particular man's resources, or in other words his opportunities of sharing in the general resources, are conditioned, however, partly by his own unearned principal (his capital), and partly by his skill." If the particular man lacks these subjective resources, he will belong to "a rabble of paupers" resulting in the "loss of the sense of right and wrong". (PhoR, § 244).

¹³⁴ PhoR, § 182: "The concrete person, who himself is the object of his particular aims, is, as a totality of wants and a mixture of caprice and physical necessity, one principle of civil society."

durch das Mittel, (α) äusserer Dinge, die nun ebenso das *Eigentum* und Produkt anderer Bedürfnisse und *Willen* sind, und (β) durch die Tätigkeit und Arbeit, als das die beiden Seiten Vermittelnde erlangt."¹³⁵ (§ 189). In this moment of particularity of the real person, a relation can be recognized which is also thematized by Marx, namely the relation of the person in the capitalist market to the commodity as use value. Marx explicitly states, as previously remarked, that the discovery of use value is a "geschichtliche Tat" (historical act). In a free translation, this means that use value only acquires meaning within a historically determined conception of the *good life*. This corresponds to what Hegel foregrounds when he determines the particular goal of the person as "ein Ganzes von Bedürfnissen und eine Vermischung von Notwendigkeit und Willkür." The entirety of needs consists of the entirety of use values which together enable the reproduction of the real person. This entirety is a mixture of "necessity of nature and will" because it refers to natural needs which manifest themselves in a specific cultural context. For Hegel, too, use values only have meaning in the framework of a historically specific conception of the *good life*. Initially, this is the conception of the good life of the family community which the real person has generated. Just as in Marx, the real person in the market is also related in Hegel to use values which are the property of other persons and which result from labor.

Having arrived at this point, we can anticipate in Hegel a topic which is later also touched upon by Marx when he discusses the absolute minimum wage. The wage of the wage laborer must at least allow his physical reproduction. Marx immediately adds that this minimum has a cultural component. It is not a biological minimum, but rather a cultural minimum.¹³⁶ Each society determines in its own particular way the absolute minimum necessary for existence that is worthy of a human being. Something similar can be observed in Hegel. The real person cannot reproduce himself if he cannot realize his particular goal. The market only functions as an institution of free society if it enables real persons to satisfy the entirety of their (genuine) needs for use values. The standard for evaluating the genuineness of these needs is borrowed from a historically specific conception of the *good life*.

135 PhoR, § 189: "Particularity is in the first instance characterized in general by its contrast with the universal principle of the will and thus is subjective need (see Paragraph 59). This attains its objectivity, i.e. its satisfaction, by means of (α) external things, which at this stage are likewise the property and product of the needs and wills of others, and (β) work and effort, the middle term between the subjective and the objective."

136 "Im Gegensatz zu den andren Waren enthält also die Wertbestimmung der Arbeitskraft ein historisches und moralisches Element." (Kapital I, p. 185).

In the real person's relation to use value, freedom cannot be expressed. After all, use value only acquires meaning in the context of the tradition of the good life. His freedom only becomes visible if the second moment of civil society is considered: "...aber die besondere Person als wesentlich in *Beziehung* auf andere solche Besonderheit, so dass jede durch die andere und zugleich schlechthin nur als durch die Form der *Allgemeinheit*, das andere Prinzip, vermittelt sich geltend macht und befriedigt."¹³⁷ (§ 182). With regard to the free market, Hegel elaborates this second principle as follows: "Indem sein Zweck die Befriedigung der subjektiven *Besonderheit* ist, aber in der Beziehung auf die Bedürfnisse und die freie Willkür anderer die *Allgemeinheit* sich geltend macht, so ist dies Scheinen der Vernünftigkeit in diese Sphäre der Endlichkeit der *Verstand*, die Seite, auf die es in der Betrachtung ankommt und welche das Versöhnende innerhalb dieser Sphäre selbst ausmacht."¹³⁸ (§ 189).

Only at the level of this second moment can the relation of real persons to other persons be thematized. At this level, too, the use value of one property can be compared to the use value of another. Therefore, the closer determination of exchange value, or value in general, also seems to be possible. As we have seen, however, the problem is that the person can only determine the value of the property if he has a free relation to it. However, there is no question of a free relation as long as the real person is embedded in a specific tradition, in other words, as long as the person is tied to a historical determination of the good life. Therefore, the real person has to free himself from the ties of tradition. Hegel designates this process of liberation as "Scheinen der Vernünftigkeit".¹³⁹

The "Scheinen der Vernünftigkeit" (Show of Rationality)

Hegel speaks about the *Scheinen* of reason, because, on the one hand, the true form of reason has not yet been reached at the level of civil society (this only happens at the level of the state) and, on the other hand, a development has

137 PhoR, § 182: "But the particular person is essentially so related to other particular persons that each establishes himself and finds satisfaction by means of the others, and at the same time purely and simply by means of the form of universality, the second principle here."

138 PhoR, § 189: "The aim here is the satisfaction of subjective particularity, but the universal asserts itself in the bearing which this satisfaction has on the needs of others and their free arbitrary will. The show of rationality thus produced in this sphere of finitude is the Understanding, and this is the aspect which is of most importance in considering this sphere and which itself constitutes the reconciling element within it."

139 PhoR, § 189.

nevertheless begun which will gradually result in the realization of the true form of reason. This development has an objective and a subjective side. The objective side consists of the process of the ongoing division of labor and the attendant development of technology. This development is triggered by competition in the free market. To succeed in the free market, one must be conspicuous in comparison to one's competitors. Competition has a qualitative and a quantitative aspect. Quantitatively, the competitor can succeed by asking for less value in exchange for his property than others do. Qualitatively, he can succeed by supplying property with a better quality than or a different quality to other competitors. This means that he can also improve the quality of existing products and introduce qualitatively new products. Both qualitative and quantitative competition acquire shape through the introduction of technologies which are increasingly advanced. New technology can lead to more efficient production (more products in relation to the utilized means) and to the discovery of new use values. Technological development has its counterpart in development at the subjective level. Laborers who produce the commodities which are supplied in the market are subjected to what Hegel calls a *theoretical* and *practical* education (*Bildung*).¹⁴⁰ Practically, laborers learn to operate machinery and apparatus, and to function in the framework of the new organization of labor. This presupposes that they are also subjected to a theoretical education through which they acquire insight into the labor process which enables them to develop the automatism needed for frictionless labor actions.

Technological development is in fact the institutionalization of the "geschichtliche Tat" to which Marx refers. By means of technology, more and more use values of natural things are discovered. This process of discovery is endless. New technologies are based on insight into the laws of nature. Because the project of science will never be completed (the testing of new law hypotheses can be endlessly repeated), the development of new technologies will also never end. The endlessness of this process implies that *the* value of a commodity can never be determined. There will always be undiscovered possibilities for use. The impossibility of categorically determining *the* value of the commodity can also be elucidated in another way. We have explained that the use value of commodities is related to a specific conception of the good life. Therefore, the discovery of new use possibilities of commodities does not immediately lead to the legitimacy of new use values. This only happens if the concept of the good life is revised, leading to the acceptance of the new possibilities of use as use values. Therefore, technological development can only

140 PhoR, § 197.

continue if it is combined with an ongoing revision of the conception of the good life. This revision, however, does not imply that the conception of the good life as such is overcome. The market is, in other words, always tied to a specific tradition. Therefore, real persons cannot freely relate to commodities and determine *the* value. In Marx's terminology, commodities for real persons do not have a fetish character; they are not substances—commodities which in their value can be posited towards themselves. Precisely for this reason, Hegel still speaks about “scheinen der Vernünftigkeit” here.

At this point, the approaches of Marx and Hegel diverge. Marx also introduces the process of the ongoing division of labor. However, in contrast to Hegel, he thinks that this process ultimately leads to the possibility of determining *the* value of commodities. Marx thinks that the process of labor division ends in its highest stage, namely the separation between manual and intellectual labor. Ultimately, insight into nature is increased to such an extent that it can be completely objectified. What remains for human labor is its reduction to abstract labor, that is, purely mechanical work. As a consequence, the value of commodities can be determined as the amount of abstract labor objectified in them (measured in units of time). This, incidentally, does not mean that *the* value of the commodities is determined once and for all. More efficient machines and more efficient organization of labor could reduce the amount of abstract labor necessary for the production of a specific commodity.

In Hegel, *the* value of commodities cannot be determined particularly because the real person's relation to commodities is not free: the quality of a particular commodity is a contingent datum. A free relation to a particular commodity would imply a relation of creation. Marx seems to suggest that the relation of creation is somehow approximated by abstract labor. Not, of course, because abstract labor can produce (create) nature, but because abstract labor can in principle be transformed into any quality, depending on the production apparatus in which abstract labor is active. Therefore, this *freedom* of abstract labor is dependent upon the production apparatus. As long as this production apparatus precedes the freedom of abstract labor, in other words, as long as it remains external to it (or even remains the property of an external power, capital), this freedom is only appearance (a non-being). Marx, however, does not exclude the possibility that this lack of freedom could be overcome. The proletariat, the actor of abstract labor, can appropriate the means of production. Under the condition of the unification of abstract labor and the production apparatus, the potential freedom of abstract labor can nonetheless be realized.¹⁴¹

141 Lindner (2013): “In der Arbeit wird das Spiel der eignen Naturkräfte reflexiv gesteuert. Marx beschreibt auf dieser Grundlage die Selbstverwirklichung in der eigenen Arbeit so,

Marx already formulates the ideal of the communist revolution in the first chapter of *Capital*: "Die Gestalt des gesellschaftlichen Lebensprozesses, d.h. des materiellen Produktionsprozesses, streift nur ihren mystischen Nebelschleier ab, sobald sie als Produkt frei vergesellschafteter Menschen unter bewusster planmässiger Kontrolle steht." (*Kapital* I, p. 94).^{142,143}

The real person's inability to relate freely to the particular commodity does not mean that the freedom of the person is altogether lost, in other words, that it is revealed as ideological freedom. In some sense, the development of the division of labor in Hegel actually leads to the realization of freedom—not to the realization of the freedom of the particular person, but rather to the realization of the person's freedom in relation to nature as such. Like Marx, Hegel thinks that the development of modern industry presupposes the development of modern science: without science, modern technology is inconceivable. In modern science, nature is conceived of as such. In science, it is expressed that the nature of nature is such that it can be described as an interplay of forces which observe the laws of nature. Nature is understood as a reality in which a technological labor system can be objectified. The Copernican turn, which Hegel expressed at the level of *Abstract Right* as a formal social relation (the interplay of forces in the form of the exchange of commodities is conceptually explicated as the recognition between persons) has, in the production process, assumed the form of a practical social relation. In the labor

dass deren Inhalt und Ausführung umgekehrt auch die bewusste Willensanstrengung mit sich fortreissen..." (p. 355). Lindner refers to Marx's exposition in *Kapital* I, p. 192/3.

142 [The life-process of society, which is based on the process of material production, does not strip off its mystical veil until it is related as production by freely associated men, and is consciously regulated by them in accordance with a settled plan.].

143 With Horkheimer and Adorno, Žižek (2011) rejects this conception of the proletarian revolution: "The question to be raised here concerns the classical Marxian notion of proletarian revolution: is it not all too subjectivist, conceiving communism as the final victory of subject over substance? This does not mean that we have to accept the necessity of social domination; we should, rather, accept the 'primacy of the objective' (Adorno): the way to rid ourselves of our masters is not for humankind itself to become a collective master over nature, but to recognize the imposture of the very notion of Master." (p. 242/43) Žižek rightly raises the question: "how does the late-capitalist predominance (or even hegemonic role) of 'intellectual/immaterial labor' affect Marx's basis scheme of the separation of labor from its objective conditions, and of the revolution as the subjective re-appropriation of those conditions?" (p. 233). I will argue that, precisely because the separation between intellectual and manual labor makes no sense in late-capitalism, we do not need a communist revolution to overcome alienation. We do not need the acceptance of the "primacy of the objective", but rather the awareness that insight into nature is a relation of freedom, not a relation of dominance.

system, the free person has posited nature's interplay of forces as the expression of his freedom. The free person is, so to speak, the real transcendental subject, who accomplishes a real synthesis in the labor system. Nature is explicitly posited as a system structured in accordance with causal laws. The content of the labor system remains undetermined. It will later be clarified that this determination can only be conceived of in relation to a community of value, to a conception of the *good life* in the service of which the labor system functions.

Marx's reception of the development of the division of labor can also be interpreted as the real and social realization of the Copernican turn. The reality of the transcendental subject, however, does not appear in this case as the free person, but rather as the individual who is the bearer of abstract labor. The individual is not related to nature as such, in a free relation to nature, but is rather, so to speak, dialectically related to nature. As the bearer of abstract labor, the individual is the abstract essence of the workings of nature, which has its appearance in concrete labor.

The "Scheinen der Vernünftigkeit" and Real Exchange

The education in the market resulted in the realization of the real person's formal freedom. In and through the labor process he has actually executed the Copernican turn and knows, as a free person, that he himself is the essence of the labor system. However, just as the determined laws of nature are contingent for the transcendental subject, so too is the qualitative content of the labor system contingent data for the free person. Therefore, the realized freedom of persons remains limited to "Scheinen der Vernünftigkeit". Realized reason remains confined by contingency.

In the realization of their formal freedom, real persons have emancipated themselves from traditional society, that is, from a society with immediately given norms and values. In the traditional society, the labor system immediately serves the realization of the *good life*. Tradition determines everyone's place in society, especially which kind of labor one performs and which part of the social product one is assigned to. The good life is distinguished from the natural life of animals: it is a cultural life which is made possible through surplus production brought about by the social division of labor. Because the source of the surplus product is social, the division of the surplus product is also a matter for society. In the post-traditional society of free persons, however, the claim to the surplus product is individualized and linked to personal merit.

The break with tradition executed in modern society expresses itself particularly in its labor system, the *System of Needs*.¹⁴⁴ The ongoing division of labor in the *System of Needs* not only implies a vast increase in surplus production, but also withdraws the qualitative determination of the surplus product and its distribution from traditional criteria. What is produced is determined by the demand (of free persons) in the market. The manner in which the surplus product is distributed is determined by the contribution one has made to its production. Labor is considered to be the source of value. The right to a share of the surplus product is dependent upon one's contribution to its production. This is translated into the value of the commodity of labor power at the market: its value is higher to the extent that its contribution to the production of value is higher.¹⁴⁵ [This means that the earth's contribution to the production of value can increasingly be neglected].

Here, the crucial question has to be raised as to whether it makes sense to assign the productivity of labor, which follows from the social division of labor, one-sidedly to individuals. And, if it does make sense, how precisely can the value of individual labor be determined? Hegel's answer to the second question is clear. The value of the commodity of labor power is determined by the market in the exchange relation between free persons. By means of a labor contract, the person can sell his labor during a specific period of time. The value of labor is related to the number of working hours. But what precisely is the quality of the value of labor which is measured in hours? With regard to this topic too, Hegel seems to have a clear answer. The quality of the value of labor is linked to the use value it can generate. Value is use value as such. The value of two hours of labor *x* is related to the value of two hours of labor *y*, in the same way as the use value which two hours of labor *x* has produced is related to the use value which two hours of labor *y* has produced.

Nevertheless, there is a complication which has far-reaching consequences for Marx's reception of Hegel. Hegel distinguishes between labor for which a

144 PhoR, §§ 189–208.

145 Kapital I, p. 59: "Die verschiedenen Proportionen, worin verschiedene Arbeitsarten auf einfache Arbeit als ihre Masseinheit reduziert sind, werden durch einen gesellschaftlichen Prozess hinter dem Rücken der Produzenten festgesetzt und scheinen ihnen daher durch das Herkommen gegeben. Der Vereinfachung halber gilt uns im Folgenden jede Art Arbeitskraft unmittelbar für einfache Arbeitskraft, wodurch nur die Mühe der Reduktion erspart wird." ["The different proportions in which different sorts of labor are reduced to unskilled labor as their standard, are established by a social process that goes behind the backs of the producers, and, consequently, appear to be fixed by custom. For simplicity's sake we shall henceforth account every kind of labor to be unskilled, simple labor; by this we do no more than save ourselves the trouble of making reduction."].

wage is paid (wage labor) and labor for which a salary is paid (*Honorar*¹⁴⁶). Wage labor consists of repetitive actions, i.e., actions which have their place in the framework of the lawful relations which are objectified in the production apparatus. Therefore, wage labor can rightly be measured in hours. Labor for which a salary is paid has an intellectual component. It is creative labor which is not simply exchangeable, because something particular to the person is expressed in it.

For Hegel, the salary is “Honorar”—money paid for reasons of honor. Basically, the level of the salary cannot be determined, because intellectual labor has, insofar as it expresses the person's subjectivity, infinite value. Nevertheless, the salary is fixed by means of market exchange. Intellectual labor is also paid for by the hour. Does this not show that Marx is right? Can spiritual labor (intellectual labor) not be considered complex labor with regard to its value, which can ultimately be reduced to abstract labor? Wage labor is abstract labor, and, therefore, its value can be expressed in hours of working time. Spiritual labor is intellectual labor and its value can also be expressed in hours of working time. The only difference is that intellectual labor, depending on its quality, has value which is more highly rated than the value of manual labor.¹⁴⁷ The parallel between Marx and Hegel seems to be affirmed if we consider Hegel's elaboration of wage labor more closely. Hegel states: “Die Abstraktion des Produzierens macht das Arbeiten ferner immermehr *mechanisch* und damit am Ende fähig, dass der Mensch davon wegtreten und an seine Stelle die *Maschine* eintreten kann.”¹⁴⁸ (§ 198). Wage labor becomes mechanical labor. As is the case in Marx, the value of wage labor expressed in hours of working time is concretized by Hegel in mechanical labor, that is, in labor actions which are

146 PhoR, § 80.

147 Kapital I, p. 59: “Komplizierte Arbeit gilt nur als *potenzierte* oder vielmehr *multiplizierte* einfache Arbeit, so dass ein kleineres Quantum komplizierte Arbeit gleich einem grösserem Quantum einfacher Arbeit, Dass diese Reduktion beständig vorgeht, zeigt die Erfahrung. Eine Ware mag das Produkt der kompliziertesten Arbeit sein, ihr *Wert* setzt sie dem Produkt einfacher Arbeit gleich und stellt daher selbst nur ein bestimmtes Quantum einfacher Arbeit dar.” [“Skilled labour counts only as simple labour intensified, or rather, as multiplied simple labour, a given quantity of skilled being considered equal to a greater quantity of simple labour. Experience shows that this reduction is constantly being made. A commodity may be the product of the most skilled labour, but its value, by equating it to the product of simple unskilled labour, represents a definite quantity of the latter labour alone.”].

148 PhoR, § 198: “Further, the abstraction of one man's production from another's makes work more and more mechanical, until finally man is able to step aside and install machines in his place.”

reduced to the physical exercise of force. The value of this kind of labor action can indeed be meaningfully expressed in an amount of hours. After all, these actions repeat, as mechanical actions, the same abstract quality again and again, namely the working of force which is only transformed into a specific quality through the production apparatus.

When Hegel acknowledges that mechanical labor will ultimately be replaced by machines, he actually already admits that his elaboration of wage labor is problematic within his normative framework, and, therefore, he seems to encourage Marx's criticism that his concept of freedom is ideological. If the wage laborer can be replaced by machines, the value of his labor power in the market is reduced to the value of the machines which can replace his labor. This can have dramatic consequences. The value of wage labor can be lowered to an extent that the wage laborer is no longer able to realize the living standard which is associated with the conception of the good life of his society. Hegel explicitly states that this possibility has become real under the conditions of the *System of Needs* in his time: "Das Herabsinken einer grossen Masse unter das Mass einer gewissen Subsistenzweise, die sich von selbst als die für ein Mitglied der Gesellschaft notwendige reguliert,—und damit zum Verluste des Gefühls des Rechts, der Rechtlichkeit und der Ehre, durch seine eigenen Tätigkeit und Arbeit zu bestehen,—bringt die Erzeugung des *Pöbels* hervor, die hinwiederum zugleich die grössere Leichtigkeit, unverhältnismässige Reichtümer in wenige Hände zu konzentrieren, mit sich führt."¹⁴⁹ (§ 244). From this he concludes: "Es kommt hierin zum Vorschein, dass bei dem *Übermasse des Reichtums* die bürgerliche Gesellschaft *nicht reich genug ist*, d.h. an dem ihr eigentümlichen Vermögen nicht genug besitzt, dem *Übermasse* der Armut und der Erzeugung des *Pöbels* zu steuern."¹⁵⁰ (§ 245).

This conclusion implies that the *System of Needs* as it is conceived of by Hegel cannot, measured by his own criteria, be understood as an institution of the free society, at least not insofar as it concerns wage laborers. After all, the market does not allow them to satisfy their true needs. They are not only

149 PhoR, § 244: "When the standard of living of a large mass of people falls below a certain subsistence level—a level regulated automatically as the one necessary for a member of the society—and when there is a consequent loss of the sense of right and wrong, of honesty and the self-respect which makes a man insist on maintaining himself by his own work and effort, the result is the creation of a rabble of paupers. At the same time this brings with it, at the other end of the social scale, conditions which greatly facilitate the concentration of disproportionate wealth in a few hands."

150 PhoR, § 245: "Hence it becomes apparent that despite an excess of wealth civil society is not rich enough, i.e. its own resources are insufficient to check excessive poverty and the creation of a penurious rabble."

reduced to a thing and not recognized in their labor as a person, but they are not even able to satisfy their needs in a way which corresponds to the prevailing tradition of the good life (let alone in a way that corresponds to the good life in the form of freedom).¹⁵¹

Hegel pretends to find a solution for the problem of the *Pöbel*. The dialectic of civil society “drives it—or at any rate drives a specific civil society—to push beyond its own limits...” (§ 246). The free market is not limited to the market in the service of the national state, but rather develops itself (precisely because the specific tradition of the good life is overcome in the *System of Needs*) into a global market. The *Pöbel* which is superfluous in the home market can emigrate and establish a new society elsewhere.¹⁵² In Hegel’s time (in which, for example, many Europeans emigrated to America) this was a real solution. However, this solution is ultimately unacceptable; not only because the earth is finite and it is therefore impossible to endlessly establish new societies (ignoring for the moment, of course, the problem that in Hegel’s time too these new areas were already populated), but also because in these new societies too, those who labor for wages will not be able to satisfy their true needs. Therefore, with regard to wage labor, the freedom of the free market can rightly be called ideological. This, however, is not a response to the question as to whether Hegel’s normative concept of freedom is incompatible with any form of the free market. We must still investigate whether it is possible to modify the institutional determination of the free market.

What about labor which also has an intellectual component? Can intellectual labor actually satisfy true needs in the *System of Needs*? Conditions seem to be more favorable. Precisely because the value of intellectual labor is higher than the value of manual labor, there seems to be less danger that intellectual workers would be forced below a minimum living standard. However, how should we understand this exactly? Intellectual laborers are also subject to the competition of the market. Couldn’t the competition be so intense that they could also end up in a situation which Marx terms *Verelendung*? If there is a surplus of doctors, will their income not come under pressure?

151 Honneth states: “The structure of a capitalist labor market could only develop under the highly demanding ethical preconditions that all classes are able to entertain the expectation both of receiving a wage that secures their livelihood and having work that is worthy of recognition.” (In: Schmidt am Busch/Zurn, ed. *The Philosophy of Recognition: Historical and Contemporary Perspectives*, Plymouth 2010, p. 232/33). He calls these normative principles a “counterfactual basis for the validity of the capitalist organization of work.” (p. 233). Of course, the normative framework in Hegel is not “counter-factual”, but is rather a presupposition of the *System der Bedürfnisse*, and must regulate the system.

152 PhoR, § 248.

The essential distinction between intellectual and manual labor is that intellectual labor is qualitatively determined, and manual labor is not. The quality of the product of manual labor is added by the quality which is objectified in the production process. The quality of the product of intellectual labor is generated by intellectual labor itself. The qualitative determination of intellectual labor implies that it is meaningless to speak of the free market of intellectual labor. This is the case not only because the quality of one form of intellectual labor is not interchangeable with the quality of another form of intellectual labor (the labor of the doctor is not interchangeable with the labor of a lawyer)—meaning that, in contrast to manual labor, flexible transition from one sector of production to another is impossible—but primarily because the qualitative determination of intellectual labor means that the demand for it is not exclusively determined by the market. Independently of the supply and demand of the market, society generally requires a specific quota of doctors. Behind this “independence of supply and demand in the market”, the very meaning of the qualitative determination of intellectual labor becomes explicit. The quality refers to a specific conception of the good life. Only in the framework of a specific conception of the good life is it meaningful to speak about use values. The quality of intellectual labor is related to the quality of the use values it produces and it is, therefore, related to the conception of the good life to which these use values refer. As qualitatively determined, intellectual labor is tied to a specific tradition and is, in this sense, incompatible with the free market.

Is it possible to formulate more specific conditions which would allow intellectual labor to nonetheless be linked to the free market? Hegel relates the *System of Needs* to a process of education. Does this process of education not lead to the *liberation* of intellectual labor, making it compatible with the free market? Before we consider Hegel's answer to this question, it is worth looking at Marx's answer first.

For, we have arrived precisely at the point at which Marx thinks he is able to present his criticism of capitalism as a consequence of thinking through Hegel's *System of Needs*.

The theoretical and practical education to which labor is subjected in the *System of Needs*, according to Hegel, can be understood in Marxist terminology as the process in which intellectual labor can be transformed into manual labor. The education of labor is simultaneously the process in which the market which is tied to tradition can be transformed into a free market, in other words, a market which has overcome its link to tradition. After all, the theoretical and practical education of intellectual labor resolves itself into a better understanding of labor as the expression of general rules. In education, an

insight into the general rules which underlie the process of labor is developed. However, insofar as this insight is developed, it is also possible to objectify it in the process of production. Therefore, the process of education is attended by the transformation of intellectual labor into manual labor. This transformation simultaneously implies emancipation from a traditional conception of the good life. Ultimately, all labor will be transformed into abstract labor, so that labor is no longer tied to specific use values, but can in principle be utilized for all kinds of use values. In this manner, what Marx means when he states that communism is born in the womb of capitalism can be understood.¹⁵³ Competition in the free market ultimately leads to the complete rationalization of the process of production; ultimately, all quality is objectified in the production apparatus, and the laws which underlie the production process are completely comprehended. Under capitalist conditions, this nevertheless does not lead to the realization of true freedom. Wage labor is pushed below the minimum conditions necessary for survival, and the surplus productivity of labor that is provided by the insight objectified in the production apparatus accrues silently, as it were, to capital. Notably, Marx already stated that: “Arbeit ist also nicht die einzige Quelle der von ihr produzierten Gebrauchswerte, des stofflichen Reichtums. Die Arbeit ist sein Vater, wie William Petty sagt, und die Erde seine Mutter.”¹⁵⁴ Marx specifies the earth’s contribution to be the support of labor through the forces of nature. It is these forces of nature which are conceptualized and objectified in the production apparatus. As long as the free market survives, the rationalization of the labor process implies the suppression of intellectual labor and the undermining of the traditional conception of the good life. Ultimately, the process of production will be in the service of a non-being, and will result in the production of value for the sake of value. Only after the free market has been abolished by the communist revolution can the proletariat self-consciously determine the conception of the good life and self-consciously utilize the forces of nature objectified in the production apparatus in the service of the realization of the good life.

153 Karl Marx, *Critique of the Gotha Programme*, p. 24: “What we have to deal with here is a communist society, not as it has developed on its own foundations, but, on the contrary, as it emerges from capitalist society; which is thus in every respect, economically, morally, and intellectually, still stamped with the birthmarks of the old society from whose womb it emerges.”

154 *Das Kapital I*, p. 58. [We see, then, that labour is not the only source of material wealth—of use values produced by labour. As William Petty puts it, labour is its father and the earth its mother.].

Hegel also acknowledges that qualitatively determined intellectual labor is tied to a specific conception of the good life. This necessarily implies that exchange in the *System of Needs* cannot be an entirely free exchange. The freedom of the person is embedded in a specific conception of the good life, in other words, in a specific tradition. While it is true that this tradition is not static because it is involved in the dynamics of a process of education, the result of this process of education can never be that the ties of tradition are overcome. For Hegel, the *System of Needs* is principally only a moment in the realization of freedom. We will later discuss¹⁵⁵ that the full realization of freedom can only be conceived of at the level of the absolute spirit, which realizes itself in and through world history. Education leads to a process of rationalization which makes it possible to objectify greater insight into the production apparatus and, thereby, to replace more of intellectual labor with manual labor. Intellectual labor, that is, qualitative labor, can, however never be completely replaced by manual labor. Because of its relation to a specific conception of the good life, qualitative labor is to a large extent not a commodity of the market. It is the conception of the good life which determines which use value has to be produced, not the market. This is expressed by Hegel when he introduces the so-called *corporations* at the level of civil society. Corporations in Hegel are professional societies which comprise a specific sector of production. Together, the corporations are the qualitatively determined production apparatus which produce the use values needed for the realization of the good life. Corporations are not private institutions because they have board members who are appointed by government.¹⁵⁶ The salary paid for labor that is exercised in the service of the corporation is not determined by the market. Corporations are communities of value (in Hegel's terminology: communities of ethical life) which themselves determine the living standard of their members.¹⁵⁷ Once an

¹⁵⁵ See Chapter 10.

¹⁵⁶ PhoR, § 270 (Anm.): "When individuals, holding religious views in common, form themselves into a church, a Corporation, they fall under the general control and oversight of the higher state officials." PhoR, § 288: "On the other hand, however, these circles of particular interests must be subordinated to the higher interests of the state, and hence the filling of positions of responsibility in Corporations, &c, will generally be effected by a mixture of popular election by those interested with appointment and ratification by higher authority." PhoR, § 289: "The maintenance of the state's universal interest, and of legality, in this sphere of particular rights, and the work of bringing these rights back to the universal, require to be superintended by holders of the executive power....".

¹⁵⁷ PhoR, § 252: "In accordance with this definition of its functions, a Corporation has the right, under the surveillance of the public authority, (a) to look after its own interests within its own sphere,....".

individual is admitted to a corporation, the corporation takes life-long responsibility for the particular wealth of that member, so that he is not dependent on the market for his survival.¹⁵⁸ This does not mean, however, that corporations exclude the free market. They need the market to sell their commodities and services. However, because corporations have a monopoly position in their respective sectors, the value of their commodities and services is not determined unilaterally by the market. Corporations also rely upon market supply for the acquisition of new members. This enables them to choose the best qualified applicants.

Conclusion

Hegel thematizes the *System of Needs* as an institution in which real exchange between real persons is executed. Therefore, the *System of Needs* has to be understood as the concrete unity of the *Contract* relation of *Abstract Right* and the *Intention and Welfare* relation of *Morality*.

Real persons presuppose the domain of the *family* which educates natural individuals to become free and equal persons. In the market, free persons can exchange their properties in a *contract* (*Vertrag*). *Real* persons in the market have a particular motive for exchanging their properties. They want to satisfy their particular needs by means of exchange (cf. *Intention and Welfare*). This accords with Marx's assumption that commodities have use value and are exchanged to satisfy needs. The use value of properties, however, presupposes the conception of the good life through which use value acquires any meaning at all. Insofar as real persons are tied to a conception of the good life, they are part of a tradition and are, in this sense, not free. Real persons can only execute a free exchange when they have emancipated themselves from tradition. Therefore, they have to be subjected to a process of education. Marx understands this process of education as the ongoing division of labor. Under capitalist conditions, the highest stage of the division of labor has been reached, namely the separation between intellectual and manual labor. Only as a manual laborer has the real person liberated himself from tradition: the manual laborer is not tied to a specific *use value*. At this stage, however, the ideological character of the person's freedom appears. His freedom is abstraction from quality. The freedom of the person is his reduction to mechanical activity which has no quality.

¹⁵⁸ PhOR, § 252: "In short, its right is to come on the scene like a second family for its members,..."

For Hegel, too, the person is involved in a process of education (theoretical and practical education). Once again, this process can be understood as the transition from intellectual labor to manual labor. Intellectual labor, however, can only be partially transformed. Qualitatively determined intellectual labor refers to the conception of the good life which is mediated at the level of civil society by a multitude of corporations. As a result, the salary (*Honorar*) of the intellectual worker is not determined by the market, but rather by tradition. This means that, for Hegel, the exchange between the real persons of the *System of Needs* cannot be free. This is not only the case for wage labor (manual labor) which is reduced to a thing in that it is replaceable by machines, but also for intellectual labor.

We have argued that Marx's observation that the freedom of the person is ideological is certainly correct with respect to wage labor. However, those who perform intellectual labor also do not realize their freedom as persons in the *System of Needs*, because intellectual labor is tied to the corporation. This state of affairs does not, however, demand a communist revolution, but rather the transition into the domain of the state.

Since the freedom of the person is Hegel's point of departure, he cannot legitimately claim that some wage laborers are superfluous. Therefore, he states that these wage laborers must establish a new society elsewhere. However, the endless establishment of more and more new societies is incompatible with an adequate conception of the realization of freedom. The free society is a *sustainable* society which has to be conceived of as *substance*.

Wage Labor and the Corporation: Obstacles for the Free Market?

Introduction

In the previous chapter, we have seen that Marx's thesis that the freedom of the person in the free market is ideological is not contradicted if the free market is understood in accordance with Hegel's model of the *System of Needs*. The free market seems to generate a form of wage labor which is not free. Moreover, Hegel shows that labor, insofar as it is not wage labor but qualitatively determined intellectual labor, cannot be understood within the framework of the *System of Needs*: it is necessary to make the transition to a conception of the good life. This means not only that the freedom of the person cannot be realized if the *System of Needs* is posited towards itself, but also that it still has to be investigated as to whether it is at all possible to execute the transition to the institutions in which the good life acquires shape. The tradition which stands for the good life seems to precisely hinder the possibility of real freedom.

Before we investigate how the transition to the good life is related to the realization of the freedom of free and equal persons, the extent to which Hegel's conception of the *System of Needs* contradicts the real realization of the person's freedom will be discussed. Is Marx not correct when he states that the free market must be overcome in the free society? Is the *System of Needs* conceivable without wage labor's lack of freedom? What must be said about the corporations in the light of Marx's criticism? How can corporations which are tied to tradition rescue the freedom of the person? Are corporations at all compatible with the free market? If so, what is the contemporary meaning of these kinds of corporations? Have they anything to do with the economic reality of our time?

The *System of Needs* as an Institution in Service of the Realization of Freedom

We have observed that the *System of Needs* has a particular status. In contrast to Marx's analysis of Capital, it is not a model in which the reality of capitalist society must be conceptualized. Hegel rather tries to introduce the *System of*

Needs as an ideal-typical reconstruction of the economic system as he observes it in his time. More concretely, Hegel asks himself whether he can identify a contemporary institution which can be understood as the concrete unity of the second moment of Abstract Right (*Vertrag*) and the second moment of Morality (*Absicht und Wohl*). The conception of the *System of Needs* follows from the attempt to consider existing institutions as exemplifications of this concrete unity to a greater or lesser extent. In the *System of Needs*, these existing institutions are recaptured in an ideal-typical form: they only become part of the *Philosophy of Right* insofar as they correspond to the normative ideal of the concrete unity of *Vertrag* and *Absicht und Wohl*. This means that Hegel provides an instrument to immanently criticize his conception of the *System of Needs*. Insofar as the *System of Needs* cannot be understood as the concrete unity of *Vertrag* and *Absicht und Wohl*, it must be rejected as an institution in the service of the adequate realization of freedom.

We have seen that it takes no effort to understand the *System of Needs* as an institution in which the person of *Abstract Right* enters a contract as a real person. Therefore, the *System of Needs* is satisfactory if the question which is at stake is whether it observes the normative criterion of *Abstract Right*. The problems arose when we investigated whether the *System of Needs* could also be understood as the realization of *Absicht und Wohl*. Firstly, we concluded that the particular welfare of wage labor was not realized. The question then arises, on the one hand, as to whether the *System of Needs* necessarily generates wage labor or whether a *System of Needs* without wage labor is also conceivable. On the other hand, the question arises as to whether it is necessary, if the *System of Needs* does in fact generate wage labor, that the particular welfare of wage labor would not be realized. Secondly, we observed that intellectual labor also cannot realize free exchange in the *System of Needs*. After all, real exchange is tied to a community of value which cannot be situated in the *System of Needs*. The question, then, is not only whether the further development of freedom, by positing a community of value alongside the *System of Needs*, can lead to an adequate realization of freedom, but also whether Hegel's specific elaboration of the community of value is adequate. This is not only a systematic problem, but also a historical one, for the community of value has to be determined in such a way that it can acquire legitimacy as the ideal-typical reconstruction of the community of value known in Hegel's (or in our) time.

Wage Labor and the Realization of Particular Welfare

Insofar as wage laborers sell their labor force for a price which does not enable them to buy the goods necessary for their basic provision, this contract can

anyhow not be considered as an exchange in which freedom is realized. Physical survival is the precondition for the realization of freedom. But even if physical survival is guaranteed, the realization of freedom may still not be possible. A free person is a cultural being. His survival as a person presupposes that he can reproduce the family which engendered him as a free person. He must be able to buy the goods and services he needs to reproduce himself as a family member. He must be able to afford the use values which the family as a community of value presupposes.

It seems to be easy to solve this problem through an intervention which is in line with what has already been introduced by many developed contemporary economies: a legally guaranteed minimum wage which is high enough to safeguard the living standard which is associated with the community of value of the family. Nevertheless, this solution is more problematic than it may first appear. This is the case not only because the relation between the free market of the *System of Needs* and the conception of the community of value must be systematically elaborated (I will discuss this later on), but also because the question must be answered as to whether, more specifically, the introduction of a minimum wage is compatible with the market at all.

Insofar as the point of departure of the market is the exchange of value for equal value, the introduction of a minimum wage for wage laborers contradicts the principles of the market. After all, Hegel states that wage labor can primarily be replaced by machines. Therefore, the introduction of a minimum wage will only mean that wage labor will have a price which is not competitive. Wage labor will be replaced by machines more rapidly, and the supply of employment for wage laborers will quickly diminish. Hegel's observation that civil society is not wealthy enough for all will only be strengthened. Moreover, the fact that wage labor can be replaced by machines sheds light on another problem which is inherent to wage labor and which is actually discussed by Marx extensively. Wage labor makes humans appendices of machines. In the possibility of its replacement by machines, wage labor makes explicit that the laborer is reduced to a thing. His only significance is as a mechanical execution of force. Wage labor is labor which is robbed of all qualitative and intellectual aspects. How can such a conception of wage labor have a place in the conceptual development of the realization of freedom? After all, the reduction of a human to a thing is the most extreme negation of freedom possible.

The conclusion seems to be that, considered from the standpoint of the realization of freedom, wage labor must be rejected. This thesis is actually defended by Marx. But the question then arises as to whether the rejection of wage labor does not automatically imply that Hegel's conception of the *System of Needs* must also be rejected. After all, Hegel assumes that wage labor

necessarily follows from competition in the market and the attending process of labor division. We have explained that this analysis is accepted by Marx. He in fact comes to the conclusion that the free market must be abolished. True realization of freedom requires a communist society.

Marx's conclusion is only relevant for us if wage labor in the Marxist and Hegelian sense is a category which is still relevant in our time. Therefore, we have to investigate in more detail the precise interpretation of wage labor which Hegel and Marx subscribe to, their understanding of the relation between wage labor and the market, and, most importantly, whether their conception of wage labor inherently follows from their conception of the free market. Last but not least, we must investigate whether their conception of wage labor can be found in any form in our time.

Wage Labor, the Market and Their Relevance for Our Time

According to Marx, abstract labor, which truly manifests itself as mechanical labor in the production line, is the result of what he considers to be the highest stage of the division of labor. Analogously, wage labor in Hegel is the result of the process of education in production: theoretical and practical *Bildung*.

For both positions, education is driven by competition in the free market. There can therefore be no doubt that manual labor and wage labor are intrinsically tied to the free market.

I also think that wage labor in Hegel and manual labor in Marx do not essentially differ. Both these forms of labor have to do with the repression and transformation of qualitatively determined labor, namely intellectual labor. This transformation is related to technological innovation. In the present day, ongoing innovation is still considered to be the central mechanism in the dynamics of the free market. Therefore, we have to investigate whether Hegel and Marx have an adequate conception of technological innovation, and we then have to consider, taking into account their conception of technological innovation, how they arrive at the necessary genesis of manual labor and wage labor. Only if it can be shown that technological innovation is not necessarily tied to wage labor and manual labor, can the free market be accepted as an institution of the free society.

We have noted that, for both Hegel and Marx, technological innovation is related to a process of the ongoing division of labor. Animals are also acquainted with some form of the division of labor. However, in contrast to animals, human beings perform a division of labor which is involved in a dynamic process, in which the existing form of the division of labor is always revolutionized and transformed into new forms of the division of labor in an ongoing

fashion. This is related to the growing insight into the nature of the labor process, which is facilitated in its turn by the division of labor. After all, the division of labor implies that people apply themselves to a particular specialty. By applying oneself to a specialty, the understanding which one has of this particular specialty is increased, so that the ongoing division of labor becomes possible.

The process of the ongoing division of labor and the attending insight into the labor process can be systematized in different ways. Arnold Gehlen,¹⁵⁹ for example, tries to understand this development as *Organersatz*. In the development of the division of labor and technology, more and more functions of the human body are gradually replaced by technological inventions. This development can be subdivided into three stages. First, the human functions which facilitate an immediate relation to nature are replaced. Next, the human body itself is replaced by machines. And finally, the human intellect is objectified in technology: computer technology allows for automatic and self-teaching machines. Both Hegel and Marx set the scene for the possibility that automation could ultimately result in the replacement of humans by machines. In this respect, they seem to accord with Arnold Gehlen's approach: technology can entirely replace the human actor. Insofar as the free market is specifically interpreted as the *System of Needs*, it institutionalizes technological innovation. The ongoing transition from qualitatively determined labor to wage labor is the transition to a form of labor which can largely be replaced by machines.

Hegel specifies the process of education of the *System of Needs* as theoretical and practical education in the process of labor. This education results from the experience gained by occupying specific positions in the labor process. Theoretical education implies the gathering of specialist knowledge, in other words, gaining better insight into the distinctions relevant for the labor situation, developing the skills to make the necessary connections in the labor situation, and acquiring insight into the general rules which underlie the actions of the labor process. Practical education consists of the experience of a rhythm of labor and, thereby, the development of the habituation and need to exercise labor. But it also consists of the process of learning to act within a specific context. This context is, on the one hand, the material that has to be worked with in the labor process and, on the other hand, fellow laborers with whom cooperation in the labor process must be accomplished. Finally, practical education consists of the acquisition of skills to facilitate professional action based on disciplined labor within a specific context. Professional action

159 Arnold Gehlen (1957, p. 7 ff.).

has to correspond to general qualifications which may be expected from workers within a specific context and specialty.¹⁶⁰

The education of laborers corresponds to the development of the production apparatus. "Das Allgemeine und Objectieve in der Arbeit liegt aber in der *Abstraktion*, welche die Spezifizierung der Mittel und Bedürfnisse bewirkt, damit ebenso die Produktion spezifiziert und die *Teilung der Arbeiten* hervorbringt. Das Arbeiten des Einzelnen wird durch die Teilung *einfacher* und hiedurch die Geschicklichkeit in seiner abstrakten Arbeit, sowie die Menge seiner Produktionen grösser." (§ 198).¹⁶¹ The education process to which laborers are subject is situated in the framework of a production apparatus in which the division of labor is increasingly specialized. The process of the division of labor is a process of abstraction: the process of production is increasingly analyzed in the sub-processes which constitute it. These sub-processes are objectified in an increasingly differentiated way in the production apparatus, making labor more and more specialized, in other words, more abstract. Specialties do not only become increasingly sophisticated, which intensifies the process of abstraction because more and more other specialties are excluded, but also become more abstract in the sense of Marx's abstract labor: specialist labor becomes progressively *simpler*. This labor increasingly lacks quality, because this quality is objectified in the production apparatus.

Therefore, it is apparent that the technological innovations introduced as a result of the pressure of competition in the free market are also, in Hegel, inherently tied to the genesis of wage labor, that is, labor which becomes so simple and abstract that it ultimately loses its quality. Nevertheless, Hegel also does not clarify, in the quoted section, the extent to which this actually concerns a coercive, in other words, a necessary relation. It remains unclear as to who precisely is the bearer of the process of the ongoing division of labor. It is clear that the process of the ongoing division of labor presupposes an increasingly differentiated insight into the labor process. It is also clear that laborers who are in a specialized position are able to expand their specialist knowledge. However, it is unclear how the expanded specialist knowledge of laborers is related to the insight which is needed to realize the division of labor in the production apparatus. After all, it is not the laborers who organize the

160 PhoR, § 197.

161 PhoR, § 198: "The universal and objective element in the work, on the other hand, lies in the abstracting process which effects the subdivision of needs and means and thereby *eo ipso* subdivides production and brings about the division of labour. By this division, the work of the individual becomes less complex, and consequently his skill at his section of the job increases, like his output."

production process. For them, the production apparatus in which they participate is already given throughout.

The process by which intellectual labor is transformed into manual labor is thematized by neither Hegel nor Marx. Both presuppose a market (the *System of Needs*, the capitalist free market) which is characterized, on the one hand, by the demand for wage labor and, on the other hand, by the supply of wage laborers which far surpasses the demand (precisely because of its lack of quality). This implies that the price of wage labor sinks below the level needed to guarantee basic provision of needs. In itself, this still does not fundamentally constitute an argument against the free market as an institution in service of the realization of freedom. If the real free market indeed presupposes a community of value, this community can introduce a minimum wage (although we still have to investigate the nature of such a community of value). The institution of a minimum wage, however, can make wage labor too expensive. This, however, is still not a fundamental problem. This would only mean that wage labor would be replaced by more economical machines. This merely seems to serve the realization of freedom. Unthinking, mind-numbing labor is replaced by machines. Technological innovation liberates humans from degrading labor.

Nevertheless, this does not solve the problem for either Hegel or for Marx. For Hegel, automation implies that more and more wage laborers become jobless. He thinks that this problem cannot be solved in the framework of the *System of Needs*. Ultimately, automation leads to a situation in which there is not enough work for everyone. The only solution is the establishment of new societies in which the dynamics of the *System of Needs* are initiated once again. We have already argued that this is a solution only in appearance. The *bad infinity* (*schlechte Unendlichkeit*) of the establishment of an endless number of new societies is not compatible with the concept of the sustainable society.

The problem which Marx acknowledges is of a different order. On the one hand, he recognizes that technological innovation largely implies the liberation from mind-numbing labor (cf. also his *Theorien über die Mehrwert*),¹⁶² but, on the other hand, he states that this liberating potential cannot be realized under the conditions of the capitalist free market. His argument does not rely primarily on moral considerations (the capitalist market condemns wage labor to a life which does not provide the minimum necessary for basic provision), but rather appeals to the rationality immanent in the capitalist market. On the

162 Karl Marx, *Theorien über die Mehrwert*. In (*Kapital III*, p. 828) Marx states: "Das Reich der Freiheit beginnt in der Tat erst da, wo das Arbeiten, das durch Not und äussere Notwendigkeit bestimmt ist, aufhört; es liegt also der Natur der Sache nach jenseits der Sphäre der eigentlichen materiellen Produktion."

one hand, competition in the capitalist market guarantees technological innovation. On the other hand, it is precisely this technological innovation which undermines the principle that is the incentive of capitalist society: to make more money with money.

This thesis rests on Marx's analysis of the capitalist market. In this market, free and equal persons relate to one another by exchanging commodities. The freedom and equality of persons is, however, merely formal, and is therefore transformed into inequality once the relations of the market are left behind and the underlying relations of the private domain considered. In this case, the free and equal persons of the market split into two qualitatively distinct groups. On the one hand, wage laborers are directed towards the market because they do not own the means of production. To survive, they must sell the only commodity that they have at their disposal, namely their labor power. The sale of their labor power must yield the money necessary for purchasing basic provisions. On the other hand, the capitalists actually own the means of production. They do not need to turn to the market for survival, but have other motivations to do so. They are interested in the purchase of the commodity of labor power because they can utilize it in the exploitation of their means of production. In this manner, they can make more money with money. The value added by the input of the commodity of labor power into the production process (in the form of produced commodities which can be sold at the market) is higher than the price that capitalists had to pay for the commodity of labor power.¹⁶³ To the extent that technological innovation renders wage labor superfluous, the source of surplus value (the commodity of labor power) also becomes superfluous. The rationality of the market destroys itself.

From the perspective of Hegel's starting point, the free market must be rejected as an institution of the free society because it is incompatible with the sustainability of society; from Marx's perspective, it must be rejected because the institution of the market is itself unsustainable. Nevertheless, I do not think that this conclusion is tenable. The question is rather whether the market of contemporary society includes the kind of wage labor that Hegel and Marx conceive of at all. Both immediately assume that wage labor is supplied through the market. The precise relation between wage labor and intellectual labor remains unclear. Therefore, we have to investigate in more detail the meaning of intellectual labor, its relation to the free market, and how precisely the process of rationalization in which intellectual labor is transformed into manual labor must be understood. Or rather, we have to investigate whether these processes are at all relevant to the market of our contemporary society.

¹⁶³ Kapital I, 181.

Intellectual Labor in Its Relation to the Market

We have seen that qualitative intellectual labor refers to a community of value, in other words, to a conception of the good life. Hegel acknowledges this when, in his *Philosophy of Right*, he introduces the corporations, that is, the communities of value which underlie the specific sectors of the system of production. I have already noted that corporations in the Hegelian sense are not the institutions which we are familiar with in our contemporary society. Therefore, we firstly have to investigate which properties of the corporations are necessarily tied to the development of the conception in which the institutions which facilitate the realization of freedom are explicated.

Without communities of value there are no use values. Therefore, the question is: which properties must the community of value possess in order to make use values possible? Based on its conception of the good life, the community of value has to determine which needs must be satisfied in order to realize its conception of the good life. Next, it must create the institutional conditions under which these needs can actually be satisfied. This not only means that the production of the relevant use values must not be dependent on the mechanism of the market, but also that the real availability of these use values for persons must not be dependent on the market. Hegel's corporations ensure that these demands are met. The existence of corporations is not dependent on the market, and together, the corporations ensure that the relevant use values are available. Moreover, the corporations guarantee that their members have an income that is sufficient to provide an adequate standard of living. Are these demands also met in our contemporary society, without corporations?

Our society is indeed characterized by an institutional system which ensures that use values are available which are associated with the prevailing determination of the good life. As in the case of the corporations, this is partially achieved by making the supply of use values independent of the market. It is highly important that the salaries of intellectual laborers are only partially determined by the market. Collective agreements and long-term contracts ensure that the continuity of labor is more or less guaranteed. As in the case of the corporations, the market does not determine the level of salaries, but is rather the mechanism whereby the best qualified can be selected for a certain job. As in the case of the corporations, our society also has mechanisms which ensure the quality of the delivered goods and services. Legislation regulates the quality of products (with respect to health, safety and the environment). Sometimes it is left to trade associations to enforce certain minimum standards. Trade associations can formulate codes of conduct and regulate how business must be conducted (cf. the disciplinary system of lawyers and doctors).

This corresponds to the *Berufsethre* (professional ethics) of the Hegelian corporations. (Note: this does not concern the inspection of commodities: this is carried out afterwards and is intended to control whether the previously formulated norms are actually observed.)

Corporations also guarantee the living standard of their members. Once one has become a member of the corporation, one can count on lifelong support. In our society, this certitude appears in another form: the minimum wage and national assistance benefits. What is absent, however, is the guarantee of work. Apart from this, Hegelian corporations also seem to be distinct from contemporary institutions insofar as they are not private institutions, but rather public bodies. After all, the board of the Hegelian corporation is appointed by government.¹⁶⁴ However, Hegel's intention with respect to the public character of the corporation—to align production with the use values determined by the prevailing conception of the good life—has been accomplished in our time via the legal framework in which trade and industry operate.

The Dynamics of the Market and the Relation between Intellectual and Manual Labor

Nowadays, the phenomenon of the rationalization of labor is well known. We are confronted daily by announcements in the papers concerning the reorganization of companies which lead to mass dismissals. The argument is invariably that even if huge profits are gained, profitability in the long run is endangered if the reorganization is not performed. Reorganization is intended to bring about more efficient production, in other words, increased production with the same means. This goal is reached through organizational technology (human resources, the more efficient division of tasks) and the introduction of new technologies in a more classical sense (more efficient machines, new production procedures). This rationalization corresponds to the education in the labor process to which Hegel and Marx refer: the intellectual moment of the activity of labor is objectified in the production apparatus, so that the activity of labor which has to be exercised by the laborers becomes less and less complicated (and could perhaps be understood as abstract labor in the Marxist sense, cf. for example, the labor which consists of the input of data into computer programs or the monitoring of video images.) Nevertheless, this does not just lead to the transformation of intellectual labor into manual labor, as is claimed by Marx and Hegel.

¹⁶⁴ See footnote 145.

The dynamics of the market force its players to be involved in ongoing innovation. This innovation does not only concern existing use values, but also results in the supply of qualitatively new use values (provided, of course, that these new use values can be incorporated into the conception of the good life in which the production process is embedded). In principle, the development of new use values is an endless process. After all, new use values follow from scientific research. Scientific research will always formulate new laws of nature, and based on these laws, new technologies will be developed which will facilitate the introduction of new use values into the market. This *bad* infinity need not contradict the sustainable society. With the help of new technologies, raw materials could be preserved, or certain needs could be satisfied in an alternative way, so that the burden on the environment is reduced. Therefore, technological innovation is not only a process in which intellectual labor is transformed into manual labor, but also a process in which new forms of intellectual labor are introduced: new technologies require the development of new skills.

As long as the market is able to create jobs for everybody, it is not a fundamental problem that some forms of labor are transformed into mechanical labor under the influence of the market, implying that some mechanical labor is replaced by more economical machines. Both Hegel and Marx, however, think that the creation of new jobs through the market is limited. But are their arguments not contradicted now that we have seen that the rationalization of the market always creates new forms of intellectual labor? Can these new forms of intellectual labor not compensate for the supplantation of manual labor? After all, the manual labor which has been supplanted can be transformed via education into intellectual labor.

Considered from the perspective of Marx's way of thinking, however, this reasoning will not do. While it is true that technological innovation increases the productivity of labor, society in its entirety can only profit from this increase if the market is abolished. By stimulating this innovation, capitalism has played its historical role in the process of the emancipation of humanity. The insight into nature overcomes the power of nature as an external power. However, in a society in which the means of production are privately owned, the potential freedom offered by innovation cannot be realized. Under capitalist conditions, the surplus value of labor is, according to Marx, not produced via technological innovation, but rather follows from the distinction between the exchange value of the commodity of labor power and its use value. The market could only possibly be understood as an institution of the free society if this argument can be rejected.

Marx's doctrine of surplus value rests on the argument that in the capitalist market, equal value is ultimately (that is, aside from price fluctuations at the

market) exchanged for equal value. Because exchange seems to be a meaningless, tautological activity from the perspective of the market (equal value is exchanged for equal value), Marx argues that exchange can only really be understood if the perspective of the private domain is also foregrounded. The equal exchange of values presupposes that the exchanged commodities have unequal use values. These unequal use values are the motive for the exchange. The wage laborer exchanges the commodity of labor power because his wage allows him to purchase the use values necessary for his survival. The capitalist buys the commodity of labor power from the laborer because this commodity has a use value which can provide him with more value than the exchange value of this commodity, in other words, the price that the capitalist had to pay for it. If Marx thinks that the capitalist system undermines itself in its increasing supplantation of wage labor, he obviously thinks that capital cannot generate surplus value via the exchange of intellectual labor. How can this assumption be precisely understood?

When capital purchases the commodity of intellectual labor at the market, it exchanges equal value for equal value. But what is the value of intellectual labor? At the very least, intellectual labor has a greater value than the value of the use values necessary for the physical reproduction of the intellectual laborer. But how can this surplus be determined? Does it have to do with, for example, the cost of the intellectual laborer's education? This solution cannot be correct. After all, the spiritual component of intellectual labor is not determined via education. Is Hegel not correct when he argues that intellectual labor can only be paid for with a salary—a "*Honorar*"—which only symbolically pays for something which in itself has infinite value? Is not the amount of labor time indeed a standard which is completely inadequate to measure intellectual labor?

What use value does intellectual labor have for Capital? For Capital, everything which serves the valorization of Capital (*Kapitalverwertung*) has use value. Obviously, intellectual labor is a necessary factor in the production process. Without intellectual labor there can be no production of commodities and, therefore, no prospect of realizing the surplus value of manual labor. However, in contrast to manual labor, there is no distinction in the case of intellectual labor between exchange value and use value. The exchange value of the intellectual labor necessary for the production of a commodity is a constitutive part of the exchange value of this commodity. The value that intellectual labor adds to the value of the produced commodity is the use value of intellectual labor.

The amount of exchange value added by intellectual labor can only be determined by the market. It is also in the market that intellectual labor

becomes comparable to manual labor, so that it can be concluded that the value of intellectual labor is a factor x higher than the value of manual labor. In this sense it is meaningful to assert that intellectual labor can be reduced to simple labor, that is, abstract labor which can be measured in units of time. In contrast to manual labor, intellectual labor produces no surplus value in the Marxist sense. The use value of intellectual labor does not consist of its surplus value in relation to its exchange value in the market. Its use value is completely determined by its exchange value in the market. In the case of manual labor, abstract labor which is determined in the market and which is measured in units of time has a physical counterpart in the domain of production—mechanical work which is measured in units of time. Insofar as intellectual labor is measured in units of time, it has no physical counterpart in the domain of production. In the domain of production intellectual labor has a quality which cannot meaningfully be expressed in units of time. In this case, no surplus value can be produced by increasing the amount of labor time. The increased use value is immediately translated into the increased exchange value. If this were not the case, the exchange between intellectual labor and Capital would be an unequal exchange which would violate the principles of the market.

If the exchange between intellectual labor and Capital does not provide surplus value for Capital, Capital can only serve the valorization of Capital by means of intellectual labor indirectly, namely by transforming intellectual labor into manual labor. In this case, labor which cannot produce surplus value is replaced by labor which can. At the same time, however, this transformation is the first step towards the replacement of wage labor by machines (especially if wage labor is performed under the condition of a minimum wage). This means that Capital undermines the precondition for its own existence. This corresponds to Marx's reasoning that the market cannot, in the long run, be an institution in which freedom is realized.

Marx's reasoning is dependent upon the assumption that only the exchange between wage labor and Capital can deliver surplus value. This assumption is, however, highly problematic. Under contemporary economic conditions, big profits are not generated by companies that employ many wage laborers, but rather by companies that excel in technological innovation. Those who want to make a large profit must have patents at their disposal which are necessary for the production of technologically advanced and widely desired commodities (like iPods, mobile phones and automobiles). These patents must be exploited by a skilled team of professional specialists who are not only able to repeatedly produce and market such widely desired commodities, but are preferably also able to develop new patents.

It is completely meaningless to measure the salary of professional specialists in units of time expressing an amount of abstract labor. The quality which specialists can generate is definitive: new patents, new technologies, new products and finally, new successes at the market. The period of working time of these specialists is not definitive for the market value of their product. Therefore, the exchange between intellectual labor and Capital cannot meaningfully be defined as an equal exchange. Their salary is a share of the value added by their labor. Another share of this added value accrues to Capital.

Conclusion

In contrast to the opinion of Hegel and Marx, the existence of the free market does not necessarily lead to the genesis of wage labor. This is already prevented by the introduction of a minimum wage. Under this condition, wage labor, in the sense of spiritless, mechanical activity, will be replaced by machines. The supplantation of unskilled labor by machines does not lead to internal contradictions which undermine the functioning of the free market. The contradiction which is observed by Marx is based on untenable presuppositions: that abstract labor is not only the essence of the value of the commodity, but also underlies the distinction between the exchange value and the use value of the commodity of labor power. The surplus value of human labor is rather dependent on technological insights which are based on scientific insights into nature.

Insofar as the free market stimulates technological innovation, it is an institution which is in service of the realization of human freedom. In our time, this technological innovation is stimulated more than ever. The free market has produced institutions in which technological innovation is institutionalized as such, namely universities and institutions of technological research. More important than specific, technological innovations, however, is the relation to reality which is linked to these technological innovations. In education and in the rationalization of the production process, a professional relation to reality is institutionalized which rests on the insight that reality is fundamentally reasonable, in other words, that it lends itself to the formation of a labor system which is based on insight. In this insight, not only is the formal freedom of the person realized, but the distinction between an objective and subjective evaluating relation to reality is also institutionalized. This facilitates the distinction between the objective relation of the *System of Needs*, and the community of value in which subjective norms and values become legitimate.

Hegel interprets the communities of value in his time (one-sidedly) as corporations, in other words, as labor communities. Although certain norms and

values can self-consciously be realized in these corporations (a realization which can be compared to Marx's ideal of communism), they are not an obstacle for the free market. All the functions that Hegel assigns to the corporations can be rediscovered in some form in the contemporary free market.¹⁶⁵

Nevertheless, Hegel's method of concretizing the community of value as corporation has to be criticized. By conceiving of the community of value as a labor community, he remains fundamentally tied to the specific conception of the good life which underlies the labor community. While it is true that this conception of the good life is rendered dynamic under the influence of the developments in the *System of Needs*, this does not imply that it becomes possible to relate to tradition as such. The relation to tradition as such implies that the contingency of the specific content of the conception of the good life is comprehended. The norms and values which become valid in the community of value have a subjective status and must not necessarily be related to the domain of labor. In the next chapter, the conditions to which the community of value must comply as an institution of the true realization of freedom will be explicated in more detail.

165 This rejects Ruda's thesis: "the rabble marks within the Hegelian Philosophy a problem of categorization which can neither be solved by means of Hegelian logics nor find a clear place within it." (Ruda, 2011, p. 167).

Capital as Community of Value

Introduction

In the previous chapters, it has become clear that the capitalist society cannot be purely reduced to a free market. Insofar as the persons in the market are free, there are, apart from the relations of *Abstract Right*, no norms and values which provide them with cohesion. As particular wills, however, the persons exclude one another. We have observed that the real freedom of persons cannot be conceived of without a particular will which is in accordance with the general will as such.¹⁶⁶ Therefore, the real person can only be understood if he is situated in a community of value. In the preceding chapter, we have argued that this community of value cannot be understood one-sidedly as the corporation, i.e., as the local community of value which Hegel understands as the first step towards the encompassing community of value, namely the nation state. Therefore, we have to develop an adequate conception of the community of value. Before we do this, however, it is important to dwell upon Marx's conception of the capitalist company. If our observation in the previous chapter is correct, namely that the functions Hegel assigns to the corporation can be rediscovered in modern business, this implies that modern business cannot be understood one-sidedly from the perspective of the principles of the free market. This evokes the question as to whether modern business can actually be identified with the kind of business that Marx had in mind. If this is the case, the Marxist project seems to be in trouble. Obviously, the principles of the free market are not sufficient to understand the reality of capitalist society. If this is not the case, we have to understand what the company means in the Marxist sense. Is a company a community of value? Is it possible to conceptualize a community of value which corresponds to the principles of the free market?

The Capitalist as Person in the Market

From the perspective of the market, according to Marx too, the persons relate to one another in a free and equal way. Their freedom means that they are free

166 PhoR, § 103: "Fundamentally, this implies the demand for a will which though particular and subjective, yet wills the universal as such."

to enter or not to enter into a real contract with other persons. Their equality means that in this real contract, equal values are exchanged for equal values. In this contract, persons realize their freedom and equality.

Considered from the perspective of the market, the motivation for persons to perform a specific exchange cannot be understood. The freedom of the person is universal. In exchange, it becomes explicit that commodities are only contingent for the person. As owner, the person is the essence of the commodity, that is, he has the commodity freely at his disposal. In exchange, this freedom is expressed as such: one commodity can be replaced by another. The specific, qualitative nature of the commodity is irrelevant—it is only a contingent datum. It is only important *that* the person has the commodity freely at his disposal. The *what* of this power of the will is not under consideration. For the person, real exchange is only a possibility, not a necessity.

Precisely because real exchange is, from the perspective of the market, only a *possibility*, this perspective is ideological for Marx. It shows that the perspective of the market is only theoretical: the world of commodities would then be a world to which the person could or could not relate. This would imply that the world of commodities could exist independently of the persons. However, in that case, what would it actually mean when we say that persons are the essence of the world of commodities? Is not freedom which is not essentially related to real things a non-being? Is the universality of the person's freedom not indeed an argument for mistrusting this freedom? After all, real individuals are not universal, but are always situated in a real society. The free person can only be conceived of in relation to other free persons and not in their relation to the world of things, that is, commodities.¹⁶⁷ Therefore, the world of persons seems to abstract from all corporeality, from all materiality.

We have noted the steps which Marx takes to overcome the one-sidedly theoretical status of the person. He interprets the freedom of the person as *abstract labor*. By doing this, he shows that the relation of the person to the world of commodities is tied to presuppositions. The world of commodities is not externally given to the person, but is rather a world which is produced by this person. Therefore, the theoretical relation of the free person to the world of commodities is explicated as a one-sided relation: it is the relation which abstracts from the determinedness of labor. For the reality of the person to appear, the content of labor also has to be taken into consideration. This means that the transition has to be made from the perspective of the market to the

¹⁶⁷ In Cobben (2012), I argue that both Jürgen Habermas (see p. 10) and Axel Honneth (see p. 100) do not overcome this one-sidedly “theoretical” and intersubjective relation between persons.

perspective of the private domain. In the private domain, the universality of the formal perspective of the market is broken through. The *possible* action of the person which Marx expresses as abstract labor is exchanged for *real* action in the private domain. In the private domain, the individuals are not *universal* persons, but rather situated, concrete persons. For these persons, commodities do not appear as interchangeable exchange values, but rather as concrete *use values* which are the product of *concrete labor*.

Before arriving at the modern elaboration of the private domain in the Marxist sense, it is important to remind ourselves that the distinction between the market and the private domain was already implicitly definitive for market relations. Because the persons in the market are also individuals in the private domain, it is possible to acknowledge that exchange in the market is rooted in a particular motivation which originates in the private domain. As a real individual, the person requires a set of use values to enable him to live in a way which corresponds to his conception of the good life. He can obtain the necessary use values via exchange. If he owns use values which are superfluous to the satisfaction of his needs, he can exchange them for use values that he needs.

If this exchange is performed in order to obtain the use values necessary for meeting a culturally determined living standard, it cannot be regarded as free. After all, the exchange must necessarily be performed. Nevertheless, the exchange does not completely lack freedom, for it is up to the person to determine with whom he performs the exchange. This freedom, however, does not seem to matter, because the exchange between persons is equal: equal value is exchanged for equal value. It does not seem to matter who the other person is, as long as they can provide the necessary use value. Nevertheless, one relevant level of freedom remains. If one person can provide the necessary use value at a cheaper price than another (in other words, if the buyer can obtain a better exchange ratio), the buyer will choose the cheapest supply.

The meaning of the rationality of the market (in other words, the meaning of the freedom and equality of the market) is hereby more specifically determined. The freedom of the person in the market is rooted in the person as the source of abstract labor. This freedom is realized if abstract labor is utilized to produce the use values necessary for the prevailing conception of the good life. In this process, the free market functions as a mechanism to allocate the use values to the different persons in as efficient a way as possible. Ultimately, this efficiency can be reduced to the *equality* of persons. The equality of persons is ultimately realized in equal exchange: in this exchange, equal values are exchanged. The persons in the market, however, cannot self-consciously determine the value of commodities. In exchange, they only practically posit the

commodities in a specifically quantitative exchange relation. However, Marx assumes that, in a well-functioning market in which all commodities are compared with all commodities in the long run, the price of commodities fluctuates around their actual exchange value. In this manner, the freedom of the persons to obtain the necessary use values in as economical a way as possible enables them to realize themselves as *equal* persons.

Therefore, the freedom of the capitalist market firstly concerns autonomy at the level of society—the autonomy which corresponds to the ability to produce the use values necessary for a specific conception of the good life. Principally, this autonomy is not distinguished from the autonomy of the polis, that is, the autonomy to realize human law. The free market, however, combines autonomy at the level of society with autonomy at the level of the individual. The free person in the market has the freedom to acquire the use values he needs at a price which is as low as possible. Ultimately, not only is the equality of persons realized in this freedom, but the rationality of the market is also manifested. The mechanisms of the market imply that the production of the necessary use values is as efficient as possible, in other words, that it is effected at a price which is as low as possible. For Marx, this implies that the labor needed for the production of the necessary use values is reduced as much as possible. Since the value of all commodities is ultimately reduced to the labor needed to produce them, labor becomes the scarce good par excellence. According to this logic, the reduction of the quantity of necessary labor is preeminently rational. Only through this observation can we develop an understanding of a special player in the market, namely the capitalist.

The commodities which are exchanged in the market must be produced. This production cannot be effected by persons who have no ownership of the means of production. These persons can only exchange the commodity which is at their disposal without ownership of the means of production, namely the commodity of labor power.¹⁶⁸ However, according to Marx there is also a group of persons in the market who actually do own the means of production, namely the capitalists. The capitalists are the persons in the market who do not enter into exchange for the purposes of consumption, but rather for the purposes of production. We can understand why a person exchanges for the purposes of consumption: he has to do so, because otherwise he cannot acquire the use values necessary to satisfy his standard of the good life. But why should a person exchange for the purposes of production? Is this a kind of altruism motivated by an impulse to provide society

168 Kapital I, p. 184 (footnote 41): "Was also die kapitalistische Epoche charakterisiert ist, dass die Arbeitskraft für den Arbeiter selbst die Form einer ihm gehörigen Ware, seine Arbeit daher die Form der Lohnarbeit erhält."

with the use values it needs? It is clear that Marx rejects such an answer. The capitalist's psychology is of no importance. To be a capitalist is a *Charactermaske*.¹⁶⁹ he has to be defined by his role in the system of the free market. Like all other persons, the capitalist is subject to the rationality of the market.

We have discussed the nature of the rationality of the market, which is characterized by the striving towards efficiency and the attempt to obtain the necessary use values for a price which is as low as possible. The role of the capitalist in this system is the production of use values for a price which is as low as possible. This observation only seems to shift the question. Why would the capitalist take on this task? It is not difficult to understand the role of the consumer. If he can pay a lower price for the necessary use values, he serves his own essence, namely freedom. Lower prices allow him to buy more use values. This not only increases the chance that he will be able to buy sufficient use values for the satisfaction of his living standard, but could also mean that he is able to realize a surplus and thereby achieve a higher living standard. (Although, according to Marx, a higher living standard is not possible for the wage laborer, who can even land up in a situation in which he is forced to live in a way which does not meet the minimum requirements for existence). The reasoning which can be followed with regard to the producer, however, is no different. The desire to acquire use values sufficient to achieve one's particular living standard can, in the case of the capitalist, be taken out of consideration. For the capitalist, only the possible *surplus* counts—the possibility of increasing his freedom by the production of use values. The greater the surplus (expressed in terms of general value—value without quality), the greater the potential to have use values at his disposal. The lack of quality inherent in this aspiration, incidentally, makes it rather perverse. This aspiration recognizes no qualitative measure and is only oriented towards quantitative growth.

The possibility of realizing surplus value by means of the production of use values is dependent upon successful exchange in the market. It is true that, *in the long run*, equal value is exchanged for equal value, which seems to make the realization of surplus value impossible. However, whoever is able to produce commodities in a more economical fashion than is possible under the prevailing level of technology can realize a surplus through the exchange of the produced commodities. This surplus accrues to the capitalist, not to the laborers who help to realize this surplus by producing the commodities. After all, the rationality of the market has to do with equal exchange. This equal exchange has been enacted at the moment that the capitalist and the employee enter into a labor contract.

169 Kapital I, p. 100.

However, we have previously discussed Marx's postulation that capital has yet another possibility for realizing surplus value. Despite the equality of the exchange between wage labor and capital, this exchange can nevertheless contribute to the realization of surplus value because the commodity of labor power has a use value which follows from its ability to create more value in the labor process than the value which is equivalent to the exchange value of the commodity of labor power. We have analyzed this thesis and have come to the conclusion that it does not contribute towards insight into the functioning of the existing free market. Marx's reasoning is based on the presupposition that *abstract labor* can be concretized as mechanical labor. Nowadays, this kind of labor has usually already been replaced by machines. If wage labor is identified with mechanical labor, the commodity of labor power is in fact reduced to a mere thing. Under these conditions, it makes sense to identify the value of the commodity of labor power with the cost of its physical reproduction. This implies that wages can sink beneath the level necessary to achieve the culturally determined standard of living. Insofar as capitalists in our society are obliged to pay a minimum wage, this has become impossible.

The value of the commodity of labor power is not related one-sidedly to the cost of the physical reproduction of the employee. The employee is a cultural being. Therefore, the value of the commodity of labor power is related to its reproduction as a cultural being.¹⁷⁰ The fact that humans are cultural beings coheres with the surplus which is inherent in human labor in the first place: human labor rests on insight and the division of labor, and it can therefore produce more than is necessary for its physical reproduction. The cultural reproduction of the employee already presupposes that wages incorporate a part of the surplus. The precise size of this part is dependent upon a cultural norm which is objectified in a specific conception of the good life.

Therefore, the employee's share of the surplus of labor is dependent upon a specific conception of the good life. This evokes the question as to whether this share cannot be determined more specifically in a free market society. If the conception of the good life offers room for the free market, does this not imply that the employee's share in the surplus of labor must be determined by the principles of the free market? Does the normative framework of the free market, expressed in equal exchange between persons, not imply that, in the long run, nobody can claim a disproportional part of the surplus of labor? Does this not mean that the produced surplus has to be proportionally divided amongst its producers? But what is proportional? And who precisely are the producers? Does the capitalist, for example, belong to the group of producers

170 Kapital I, p. 185.

because he invests capital? Must he not be rewarded for the risks of his investment? To answer these questions, we must leave the domain of the market, and investigate the meaning of the capitalist company as a community of value in more detail.

The Capitalist Company as *Community of Value*

According to Marx, the private domain is the precondition for the domain of the market—the domain in which free persons are related to a vast amount of commodities. The private domain is especially the domain of the production process. The supply of commodities in the market is mediated by the production process.

In the production process, it is not the relation between free and equal persons that is central, but rather the relation of the real individual to nature. Through their labor, humans transform natural material into (useful) use values. This transformation is mediated by instruments in the broadest sense of the word, from simple stone tools to computers. Labor is exercised in a social context. Under capitalist conditions, this context is primarily determined by the capitalist. He makes investments through which production factors (like, for example, raw materials, machines, employees and factories) are brought together, which allows for the actual production to take place. Therefore, under capitalist conditions, the relation between human being and nature, that is, the labor relation, is embedded in a social relation, namely the relation between capitalist and employee. We have to investigate how this relation can be understood, in both its distinction from and its coherence with the relation from person to person.

In order to conceptualize the relation of labor embedded in social relations in its generality, Marx can appeal to Hegel's lord/bondsman relation (as he appears to already have done in the *Economic-Philosophical Manuscripts*).¹⁷¹ The human as laborer is the bondsman, in other words, he exercises labor by serving his 'lord'. By this, Hegel makes clear that labor always has a social form.

171 Karl Marx, *Pariser Manuskripte 1844*, p. 60: "Wie er seine eigene Produktion zu seiner Entwirklichung, zu seiner Strafe, wie er sein eigenes Produkt zu dem Verlust, zu einem ihm nicht angehörigen Produkt, so erzeugt er die Herrschaft dessen, der nicht produziert, auf die Produktion und auf das Produkt." ["Just as he creates his own production as the loss of his reality, as his punishment; his own product as a loss, as a product not belonging to him; so he creates the domination of the person who does not produce over production and over the product."].

Humans cultivate nature in the form of a specific human law. As laboring beings, humans belong to a *community of value*. This community of value is expressed in a social law which is served in the labor process. Therefore, to understand the capitalist enterprise, the specific form of the community of labor under capitalist conditions has to be analyzed.

While the labor community as it is thematized in the basic version of the lord/bondsman relation is a traditional community, this is not the case for the capitalist company. In the company, the law of the social organism has a self-conscious form. The content towards which the law is oriented, in other words, the production of a specific commodity, is self-consciously determined by the capitalist (based on the demand of the market). This explicates that the content of the law of one company is distinct from the content of the law of other companies. Each company orients itself towards the production of *specific* commodities. In his choice of the commodities to be produced, the capitalist is led by his estimation of the demand at the market. The market can cause the capitalist to produce other commodities or to organize the process of production more efficiently.

For the employees (the 'bondsmen'), the *law of the company* is given. This not only means what the company produces is always already determined for them, but also that they participate in a form of cooperation characterized by a division of labor which is also already given throughout. However, in comparison to the bondsman of the original lord/bondsman relation, the employee has become self-conscious. He has self-consciously chosen in favor of his labor contract. He has not only made a choice in favor of a certain *kind* of company thereby, but also the function that he will perform within the company. This becoming-self-conscious largely excludes the possibility that the labor of the employee could be completely absorbed into *mechanical* labor, not only because, in that case, the employee would be replaced by machines, but primarily because, as we will see later on, self-conscious labor is always involved in a process of education.

If the employee has become self-conscious, this should also mean that he has recognized himself in the 'lord'. This seems to be a problematic assumption. After all, the employee does not have the control which the capitalist does. He neither organizes the process of production, nor determines *how* the commodities are produced. If the employee could recognize his essence in the capitalist, this would also mean that he would believe himself to have realized his free self in the labor process. This is all the more reason why this cannot be true, because the employee can be fired. This explicates that the employee's being-himself is not tied to the company where he works.

Nevertheless, it is meaningful under certain conditions to argue that the employee can recognize his essence in the capitalist. If the labor contract has

been entered into freely, both capitalist and employee are partners in the same value community. In this case, the law of the social organism is grounded in the free decision of the contract partners to realize the law. If the employee has indeed become aware of himself as employee, this means that his labor is based on insight. While it is true that this does not mean that he can realize his being-himself entirely (that is, as a free subject, as we will see later on), he can nonetheless realize his free relation to nature. He has chosen his occupation (and, therefore, has chosen a specific approach to the cultivation of nature) and in this occupation he is no longer confronted by a *strange* reality.

However, we have to make more of an effort if we want to understand the company as a *community of value* in which the employee can realize himself. The norms and values which the employee shares with his colleagues must not only follow from the joint product of their labor, and their joint striving to make the production thereof as efficient as possible, but must also concern a moral dimension. The employee must also realize his subjective particularity, and must be able to realize his particular welfare in harmony with the welfare of his colleagues. It is these moments which Hegel links to the labor community understood as the corporation, in which professional honor is central and in which the participation of members is for life. We have already observed that these qualifications of the corporation are associated with the contemporary capitalist company. After all, the employee can enter into a tenured labor contract and can, therefore, situate his realization as a moral subject partly in the company.

The Relation of the Employee to the Capitalist Company as *Community of Value*

The relation of the employee to the capitalist company can be considered from two points of view, namely from an external point of view in which the employee is externally related to the company, and from an internal point of view in which the employee is part of the company.

In Marxist terminology, the external relation between employee and company has to be described as a relation between persons in the free market. The employee is a person who owns none of the means of production, and who therefore looks for a job via the market. The company is represented by the capitalist, who is a person that owns the means of production and who seeks employees via the market.

However, we have argued in the interim that the free market cannot be taken as the point of departure for the description of the relation between real

individuals. Insofar as persons belong to a real society, the free market presupposes a conception of the good life, namely the shared norms and values which guarantee that the persons in the market are related at all. In this context, it is important for the relations at the market that the shared norms and values can only be realized in a qualitatively determined production system. This production system has to generate the goods and services with the help of which the good life can actually be realized. Therefore, the capitalist represents a company which has made it its object to participate in the production of goods and services which are important in the light of the prevailing conception of the good life. The presupposition of the good life does not only give a qualitative determinedness to the person in the role of the capitalist, but also to the person in the role of employee. After all, the employee must have professional qualifications at his disposal which are important in the framework of the prevailing conception of the good life.

If the demand of the capitalist for an employee with a specific professional qualification matches the supply of a person looking for a job, both persons can decide to enter into a labor contract. The labor contract is only the expression of the freedom of the person if he is able to freely choose to enter or not enter the contract. This condition is met in a society in which the norms are decided by a conception of the good life which guarantees every citizen a minimum livelihood (unless he himself refuses to contribute to society). Moreover, the exchange stipulated in the labor contract must be equal. The wage that the capitalist pays for the employee's labor must be equal to the value of the labor provided. But what is the value of labor, and how can it be determined? Or is this question meaningless, and the price of labor only practically determined by the law of supply and demand in the market?

Insofar as the production process immediately serves the good life, in other words, insofar as it relates to a traditional society without a free market, the wage of the laborer is determined according to traditional standards. All who contribute to the production of goods and services necessary for the realization of the good life are entitled to a certain share in these goods and services (possibly after having provided a minimum allowance to those who were not able to acquire a job). How the distribution between the various professions is regulated is dependent upon contingent cultural customs. If the labor performed is mediated by a labor market of free persons, the traditional payment of the various professional groups need not necessarily be changed. In that case, the supply and demand of the labor market would not determine the level of wages, but would rather determine which one of the available applicants in the labor market is chosen for a certain job. Even if the supply is higher than the demand, this need not lead to the lowering of wages.

In the contemporary economic system, there are many factors which imply that the level of wages is not determined by the laws of supply and demand of the market. Firstly, there is the legally prescribed minimum wage which determines the lowest wage that is allowed. Secondly, the level of wages is determined through collective agreements which are laid down by government or by negotiations between employers and trade unions. Finally, the payment people receive is redistributed via tax procedures which are ultimately also laid down by government. In the final instance, it is the taxation system which determines how the capitalist is paid for the risk he takes when he invests in a company.

To argue that the supply and demand of the market does not determine the level of wages does not mean, of course, that the market becomes meaningless. It makes no sense to produce goods and services for which there is no market. Therefore, it is ultimately the market which determines the quantity of goods and services that are to be divided in the first place. Investments in companies whose products have no market will be lost. Moreover, the market not only ensures that persons are motivated to develop professional skills for which there is a demand (to improve their chances of success in finding a job), but also that labor is adequately performed once the labor contract has been entered into. After all, those who are falling short in the performance of their labor can be fired and replaced by superior labor power. Finally, there are also sectors in which supply and demand do have a great influence on the level of wages (football internationals, top level managers, top level scientists and artists, and so on). These sectors relate to a labor force which has qualifications at its disposal which have to do with unique talent which is in high demand.

The relation of free persons to the company cannot conclusively be described from the (theoretical) perspective of the market. After the labor contract is entered into, employee and capitalist are no longer related to one another as free and equal persons. By entering into a labor contract, the employee has become a member of the community of the company. In Hegel's terminology: the employee serves as 'bondsman' to his 'lord' (cf. the PM).¹⁷² However, it is very important to be aware of the precise form of the lord and bondsman in this context. Here, the lord appears as a specific law served by the bondsman. The content of this law consists of the economic benefit produced by the com-

172 Karl Marx, *Pariser Manuskripte 1844*, p. 59: "Jede Selbstentfremdung des Menschen von sich und der Natur erscheint in dem Verhältnis, welches er sich und der Natur zu anderen, von ihm unterschiedenen Menschen gibt." ["Every self-estrangement of man, from himself and from nature, appears in the relation in which he places himself and nature to men other than and differentiated from himself."].

pany in question. By serving this law, the employee, together with other employees, participates in the community which produces this economic benefit, and has his place within the division of labor.

Here, the service of the bondsman is not a purely practical matter, as it was in the original lord/bondsman relation. The bondsman has become self-aware. He is not only a free person, but has also recognized himself in the lord and has, in this sense, become his own lord. This does not mean that the employee has become a capitalist or the owner of the company he works for. It rather means that the law of the lord is not a *strange* law (in which the power of nature appears in a social form). The employee has self-consciously entered the labor contract. He knows that the labor that he performs in his company is the expression of his free choice. He also knows that the *law of the lord* is the specific expression in which the *pure lord* (his pure freedom) appears for him. Serving the lord is a self-conscious activity. The employee has insight into the labor process and participates self-consciously in the company's system of labor division.

The success of the production process is dependent on good cooperation between self-conscious employees. Such cooperation is therefore an important factor in labor's productivity. The ability to cooperate well with colleagues is part of one's professional qualification. That the employees are engaged at all is based on the presupposition that they have this ability to cooperate. This contributes to the level of their wage. If it appears in practice that they do not have, or do not sufficiently have this ability it must, therefore, be possible to fire these employees. The free market must then provide a supply of other employees who are actually competent in this area.

Although the ability to cooperate well with colleagues is already counted as a decisive factor in the market value of labor, it is also possible that the cooperation in a collective of employees is so positive that the productivity of the company exceeds the social average. This can lead to an extra profit for the company above and beyond what is conventional (in other words, above the socially achieved level of productivity). It is reasonable to expect that this extra profit would not only accrue to the capitalist, but would also be divided amongst the employees. After all, they have not only had a share in the realization of this profit, but, moreover, they have not yet been paid for this share, because the income which they earn from their labor is based on the conventional level of productivity.

The development of productivity through better interaction between employees is not only an incidental process based on accidental qualities, but is also institutionally guaranteed. After all, Hegel thinks that participation in labor is attended by a process of (theoretical and practical) education (*Bildung*).

This education means, firstly, that employees realize their professional labor qualification in a practical situation. People settle into their jobs and are increasingly able to fulfill their professional roles in a concrete labor situation. They develop the expertise and routines necessary to achieve a good product, working together with colleagues like an oiled machine. However, education concerns not only the development of specific professional skills, but also the development of freedom.

The education which facilitates freedom has a formal and a substantial side. The formal side is the counterpart to the discipline needed to practice a certain profession. He who is able to discipline himself—he who is able to subject himself to the objectivity and reasonability required by a professional approach—must be inwardly free. One must have liberated oneself from natural drives in order to be able to observe the laws applicable to one's profession. This internal liberation is the precondition under which the real individual can develop into a person. Only if the individual has liberated himself from natural content can he be equally and freely related to other individuals.

The substantial side of education has to do with the formation of subjectivity. If the individual has developed into a person, he has broken with the immediately given content through which he is determined: the natural content of the given drives, desires and affects as they are shaped in the tradition in which the individual has grown up and in the social content of the labor process in which he participates. He has developed an open relation to given content. This open relation makes it possible to relate freely to other content. Initially, this freedom can take on shape in a new interpretation of the values and norms according to which the individual lives. The individual received these norms and values at home (they are part of the education he received at the level of the family). As a person, the individual is able to freely relate to tradition. He can ask himself whether he regards this tradition to be an adequate realization of his subjective freedom. He can be confronted by individuals who have different norms and values at their disposal and enter into discussion with them. I will elaborate upon this in the next chapter.

This new freedom can, however, also acquire shape in relation to the content of the labor process. Precisely because the employee has completely disciplined himself and thoroughly mastered the finer points of his labor task, he can not only develop a free relation to the labor process (he acquires insight into the nature of the labor process itself), but is also open to new additions to the labor process. He is open to technological innovations which, on the one hand, can make the production of existing goods more efficient and, on the other hand, can lead to qualitatively new use values.

The development of new technologies can be realized at the level of the company in the context of the interaction between employees who produce a certain product together (cf. Apple). They can identify possible improvements and implement them. Or they can plan new functions for the products they produce, or discover that the technologies which they have at their disposal are suited to new applications. Often, however, new technologies are not developed at the level of the company, but rather follow from the activities of institutions which are explicitly established for the purposes of innovation, for example, universities in which science is further developed, and technological institutes which utilize these scientific results for the design of new technologies. But even when new technologies are developed outside the company, they must ultimately be implemented inside the company. Therefore, employees not only have to be educated in order to be able to acquire a job based on relevant professional skills, but also when they are already participating in the labor process. Only *éducation permanente* enables employees to master new technologies over again and over again.

Not everything which is technologically possible will be produced. Qualitatively new products have to correspond to qualitatively new needs. Without demand, production does not pay. Qualitatively new needs, however, must fit into the conception of the good life. In the next chapter, we will discuss how the development of the conception of the good life is related to the development of new needs. Sometimes, new products will not be developed because they violate the norms and values of the good life (because they are harmful to the environment, or because they undermine morality etc.); sometimes new technological possibilities will lead to the further development of the norms and values of the good life (enlargement of the options for intervention in the fields of medicine, traffic, the internet, finance, information storage, and so on).

Even if norms and values do not hinder the introduction of a new product, the actual introduction is still dependent on the economic infrastructure which has to meet many conditions (to prevent the introduction of new goods being purely incidental). Firstly, the economic infrastructure must provide the scientific and technological knowledge necessary for qualitatively new products. This knowledge can be developed incidentally in the labor process at the level of the company. The structural development of this knowledge, however, is only possible if knowledge has become a commodity in the market. This means that the development of knowledge may be interpreted as a product of an investment. This has been made possible by the introduction of *patents*. Through patents, certain kinds of knowledge (other than the knowledge of the humanities) are objectified and made into commodities. Patents can be sold in the market, so that the investments necessary for their production can be

recouped. Only under this condition is the market able to deliver the capital needed for knowledge development at all.

In the second place, there must be a market for the supply of patents. This means that investments must be made in companies which can introduce new technologies. This is only possible if the products produced with the help of new technologies meet a demand in the market. Thirdly, therefore, the economic infrastructure has to guarantee that the new demand in the market can indeed be generated. This not only means that potential consumers must be well informed with respect to the new products, but also that they must have the purchasing power necessary to buy these products. In contemporary society, it is a simple matter to inform potential consumers. The omnipresent mass media offers numerous possibilities for advertising new products. Via the internet, potential consumers can actively search for information and can compare products. Electronic payment systems and well organized freight systems have enabled the market of supply and demand to take on a globalized shape.

More problematic is the guarantee of sufficient purchasing power for new products. This purchasing power only exists if the income from labor can be raised above the levels fixed by tradition. This is possible if the productivity of labor (the exchange value added in the labor process) is increased. The profit added by the increase in labor productivity may not automatically accrue to the investing capitalist, but also to the employee. Both parties have contributed to this profit: the capitalist by his investment and the employee by implementing new technologies. The *goal* of the production process is to generate use values in the service of the good life. These use values are owing to all. If qualitatively new use values are introduced, the share of individuals in these use values has to be determined once again. New norms for the payment of labor must always be redeveloped. On the other hand, capitalists must also continue to play their role. They must be rewarded for the risks of their capital investment. As compensation for this reward, it is their duty to make more investments and to ensure job opportunities (which guarantee the production of use values). The question is, however, to what extent this cycle of investments in new products, higher labor income and new investments is compatible with the *sustainable society*. To answer this question, the *quality* of technological innovations must be investigated.

The Quality of Technological Innovations

Sustainable production demands that the utilization of material means must be limited. The space needed for the production and consumption of goods

has to be restricted. If factories require new production regions, old ones must be replaced. New traffic systems or new recreational activities may not occupy more space. Utilized raw materials must be recyclable, or must themselves originate from recycled products. Materials which are expelled must be biodegradable, or must be collected and reused. The use of energy must be sustainable or must, at least, in comparison to the previous situation, always be oriented towards reduction. New use values must not be damaging to health or to the environment.

Obviously, these limitations concern the entirety of production in service of a specific conception of the good life. If the utilization of one of the above-mentioned material components reaches a level which is too high, the demand for specific goods has to be reduced by the levying of taxes.

Conclusion

We have investigated whether capital in the form of a capitalist company can be understood as a *community of value* without conflicting with the rationality of the market. In order to carry out this investigation, we analyzed the normative structure which must be met by the company if it is to be regarded not as a player in the market, but rather as a community of use value production. The normative structure of the production community can be explicated in terms of the lord/bondman-relation. The employees are *bondsmen* insofar as they serve the law of the *lord* as participants in the division of labor of the company. The law of the lord commands that they perform those labor actions which lead to the most efficient method possible of yielding the product of the company, namely a certain use value. A community of value which is understood in this way not only does not contradict the rationality of the market, but can even be regarded as its presupposition. It creates the conditions under which the free market can arise. In the labor process, on the one hand, real individuals are educated into becoming free persons, and, on the other hand, the company ensures the supply of use values for a price which corresponds to the socially achieved level of productivity.

The education to which employees are subject has two dimensions. Firstly, it has to do with the theoretical and practical education through which employees increasingly situate themselves within the framework of the given labor process. They develop an adequate insight into the part they have to play, and they are increasingly able to practice their specialty within the entirety of the production process. Secondly, the freedom towards the labor process as such is explicated in education. The employee who participates in

the labor process is already a person in the free market throughout. As a person, he has a free relation to things (and also, therefore, to the production process). The employee, however, is also a real individual who is tied to his corporeal drives, desires and affects. It is only through education in labor that the individual explicates his basic freedom towards his drives. In education the individual realizes himself as a person.

The education of the real individual into becoming a person contradicts Marx's criticism of the ideological character of the person's freedom at the market. The freedom of the person must not be understood as a reflection of his ability to perform *abstract labor*, but is rather the expression of the freedom he has acquired by means of his education in labor. This freedom is not an abstraction from quality, but rather the ability to conceive of quality in its own nature. Value does not abstract from quality, but rather expresses use value as such. Things have general value because the free person is able to compare all use values to one another. Labor produces value insofar as the action of labor presupposes insight into nature. In traditional society, this insight is objectified in the division of labor of the labor community. In modern (free) society the development of insight into nature has acquired an institutional form. This leads to a dynamic in which the employee must implement his ongoing new insight into the labor process. This dynamic is attended by a process of the ongoing redefinition of the good life. Associated with this redefinition is the renewal of the model and the mechanism according to which the surplus created by labor must be divided. The next chapter will analyze in more detail the way in which this process of the ongoing revision of the good life must be understood.

Modern Society and the Ongoing Revision of the Good Life

Introduction

We have discussed how the ongoing development and renewal of the labor process is only possible if the interpretation of the good life is also continuously redefined. New use values can only have meaning if they serve the prevailing conception of the good life. The demand for new goods can only be generated if the interpretation of the good life allows purchasing power to increase. In this chapter, the conditions under which the ongoing revision of the good life can be conceived of are systematically elaborated. It is especially important to understand thereby how this revision can correspond to the demands of the *sustainable society*.

The Multitude of Companies and the Unity of the Good Life

If the relations between companies were left only to the market—in other words, if companies were only related to one another as players in the market—they would only be one another's competitors. Each would produce a portion of the use values appropriate to the prevailing conception of the good life. However, each company would simultaneously want to profit maximally from the available purchasing power. Under these conditions, Marx can rightly state that the pretense that the *general welfare* is served under capitalist conditions is merely an ideological illusion. State power serves *Gesamtkapital*, not general welfare.

At first glance, the free market in which many companies relate as players to one another can be compared to the relation of Roman law. Here, it is not the capitalists who relate to one another as free and equal persons, but rather the Roman citizens. In both cases, however, the person represents a community of value: under capitalist relations the community of value is the company (in which the employees observe the law of the company) and in the Roman Empire the community of value is the family (in which the family members observe the law of the family). In both cases, the harmony between the communities of value (respectively the companies and the families) is a matter of

contingency. The position of the Roman emperor is as ideological as the position of the capitalist state. Their power only exists thanks to the balance of power between the communities of value.¹⁷³

A second look reveals, however, that there is a fundamental difference between the Roman Empire and the capitalist market. The person of Roman law represents a family with its own family economy. Exchange between the families has an incidental, rather than a structural basis. In contrast, the capitalist company produces for the market which has made exchange a structural phenomenon. The consequence is that the company produces to realize surplus value. This results in a merciless competitive struggle between companies—in a life-and-death struggle which can lead to the decline of the company.

We have observed that competition in the market does not only lead, according to Marx, to the decline of some companies, but in the long run also results in the decline of the capitalist system itself. Competition leads to the expulsion of labor, while it is precisely labor that is the source of surplus value. Marx's exposition, however, appeared to be untenable, not only because *abstract labor* cannot adequately be understood as the source of value, but primarily because the level of wages is not unilaterally determined by the market, but is rather dependent upon a certain conception of the good life. Competition in the market can only be fully understood if its association with the ongoing revision of the prevailing conception of the good life is made clear.

Although Marx borrows his conception of the expulsion of wage labor from Hegel, Hegel nevertheless develops a dimension of the labor system at the level of the corporation in which salaries are not determined by the market, but rather by a certain conception of the good life. Moreover, he seems to have developed an institutional framework in which the ongoing revision of the good life is possible. A closer analysis of Hegel's exposition, however, shows that this approach is untenable.

In the *corporation*, the community of production explicitly appears as a community of value. Not for nothing does Hegel term the corporation the

173 PhdG, p. 263: "Denn seine Macht ist nicht die *Einigkeit* des Geistes, worin die Personen ihr eigenes Selbstbewusstseyn erkannten, vielmehr sind sie als Personen für sich und schliessen die Continuität mit Andern aus der absoluten Sprödigkeit ihrer Punctualität aus; sie sind also in einem nur negative Verhältnisse wie zu einander so zu ihm, der ihre Beziehung oder Continuität ist." ["For his power is not the *union* and *harmony* of Spirit in which persons would recognize their own self-consciousness. Rather they exist, as persons, on their own account, and exclude any continuity with others from the rigid unyieldingness of their atomicity. They exist, therefore, in a merely negative relationship, both to one another and to him who is their bond of connection or continuity."] (PhoS, 293).

second family.¹⁷⁴ The goal of the corporation is the production of a certain portion of the goods and services which serve the good life. The professional honor upheld by the corporation not only secures the demanded quality of the delivered products, but also guarantees ethical relations among the corporation's members, both with regard to their internal relations and with regard to their relation to other corporations. The members of the corporation are respected as individuals who contribute towards the good life. They are not reduced to a mere means of the production process because as members of the corporation, their jobs are guaranteed. They have a life-long labor contract, and will be sustained by the corporation in the case of emergencies.

According to Hegel, the state ensures that the corporations can serve the good life in mutual harmony. The state appoints the board of the corporation.¹⁷⁵ All corporations are represented in parliament, the legislative power.¹⁷⁶ As a consequence, all (qualitative) viewpoints which follow from the production process are present in parliament, making it possible to introduce, via rational discussion, the laws which are necessary for a production process which is mediated by the market.

The solution which Hegel proposes, however, is incompatible with the principles of the free market. Insofar as the board members of the corporations are appointed by the state, there is no room for free entrepreneurship, in other words, for the capitalist who operates as a player in the market on the basis of his particular decision to invest in a company. Insofar as corporations cannot become bankrupt, there is no space for the market mechanism which allows only the most efficient companies to survive. However, the most important objection to Hegel's solution is that it is not radical enough. The institutions that he suggests would allow the ongoing revision of good life, actually do justice to the dynamics of the production process, but are not able to ensure a relation to the production process as such. Precisely because new legislation has to be developed by members of parliament who represent the corporations, the renewal is restricted to the renewal of the existing production process. A critical relation to the production process as such is excluded. (To put it differently: freedom is restricted to free neediness and does not encompass freedom as such).

Hegel does insufficient justice to the production process in its finite, historical actualization. The production process of a real society serves a historically specific conception of the good life. This finitude manifests itself for the persons

¹⁷⁴ PhoR, § 252.

¹⁷⁵ See footnote 145.

¹⁷⁶ PhoR, § 308.

in the market: for the capitalist, when he experiences the bankruptcy of his company and the loss of his investments; for the employee, when, for whatever reason, his labor contract is terminated. This experience of the finitude of company life elucidates for the persons that their freedom is not adequately realized in the company. Just as the persons of the Roman Empire experience that their freedom cannot adequately be realized in the multitude of family communities, so too do the persons of the free market experience that their freedom cannot adequately be realized in the multitude of company communities.

Hegel shows how the person of the Roman Empire is transformed into the *unhappy consciousness* after the decline of the Roman Empire—into the person who experiences that his reality cannot be secured as absolute through family life. He can only maintain his absolute essence as an unreal absolute being. In the *Philosophy of Right*, this abstract absolute being of the person returns at the level of *Morality*. The person is also a subject who conceives of his essence as *conscience*, as the abstract absolute being which wants to realize the good life.

In modern society, the experience of the finitude of industrial life is not a transition into the *unhappy consciousness*. Hegel has shown that the person in the market already has a moral dimension throughout. He tries to realize his particular welfare in the market. The experience of the finitude of industrial life, however, actually means that it becomes clear that particular welfare cannot adequately be realized at the level of industrial life. The competition in the market shows that the realization of the particular welfare of one person can come at the cost of the realization of the particular welfare of another person. It is only at the level of the state that the good life can be realized and that the realization of the particular welfare of everyone is guaranteed. In the *Philosophy of Right*, the person is already related to the good life throughout. After all, at the level of *Morality*, the person is developed into a conscientious subject who understands that he has to realize his freedom in the form of the good life. Therefore, the experience of the finitude of industrial life does not imply the transition to the *unhappy consciousness*, but rather explicates that the person in the market is also a moral subject who can only realize his particular welfare at the level of the good life, that is, as a citizen of the state, not as a person in the free market.

Like the company, the state too is a community of value. The telos (law) of this community of value is the good life itself (the community of moral subjects), not the use values which serve the good life. The production of use values is a means for the realization of the good life. Therefore, the experience of the finitude of industrial life can open one's eyes to the absolute goal which the company serves, namely the good life. The person who serves his particular welfare

in the market learns to understand, in the experience of the finitude of industrial life, the finitude of his aspiration, and becomes aware of the infinite goal which underlies his aspiration, namely the community of *all* moral subjects.

In the *real* society, the content of the good life is already given throughout. The society is only a unity on the basis of generally shared legislation in which specific norms and values become valid. In a society which also has a free market, for example, this general law has to determine the rights and duties of free persons, the conditions under which they may enter into contracts, and the framework in which goods and services can become valid as use values. Moreover, it is characteristic of the free market society that the prevailing content of the good life is no longer self-evident. It is precisely the experience of one's own particular welfare being violated (because one's company has gone bankrupt or because one's labor contract has been terminated) which can lead to a critical attitude towards the prevailing content of good life. However, it is not only the decline of companies which can put pressure on the legitimacy of the prevailing conception of the good life. Even without the decline of companies, the mechanism of the market leads to developments which are in tension with prevailing conceptions of the good life.

If the free market is discussed as free market, it consists of free and equal persons who strive for their particular welfare by means of exchange. The universal freedom and equality of persons implies that the free market is fundamentally a globalized market. The goods and services which are supplied in the market are not only produced for the home market, but also for markets abroad. The goods which are purchased can originate from any place in the world. The supply and demand of professionals is also not limited by national borders. The general qualities expected from professionals are not necessarily tied to the norms and values of a specific culture. The globalized market potentially leads to the ongoing differentiation of the qualitative supply of the market. The process of this differentiation is once again strengthened by potential technological innovation, which is fostered by competition in the market. Therefore, free society has to contend with the ongoing tension between the qualitatively differentiated supply of the market, and the defined content of the good life, which limits the qualitatively differentiated supply. Free market society can only function if it creates institutional facilities to deal with these tensions.

The tension between the free market and the good life is expressed in the distinct roles which individuals perform: as persons in the market they serve their particular interests, and as citizens of the state they serve the general interest. Therefore, institutional facilities have to be created to bring these particular and general interests into harmony. Before discussing these institutions which

mediate between civil society and state, however, it is important to acknowledge that the existence of civil society as such is part of the general interest. Therefore, the first task of the state concerns the institutional guarantee of the survival of civil society. Hegel discusses these institutions under the denominator of *Rechtspflege* (the *Administration of Justice*)¹⁷⁷ and *Polizei* (*Police*).¹⁷⁸

The *Administration of Justice* guarantees the reproduction of being-a-person. Individuals who try to realize their particular interest in violation of the law (*Wrong*) are called to account by the *Administration of Justice*. Further, it remains accidental as to *whether* persons can realize their particular interest at all. The *Police* only guarantee the possibility of persons actually realizing their particular interests. This means that the *Police* have to maintain a differentiated entirety of institutions.

The realization of particular interests firstly demands that there are companies which produce the goods and services which correspond to these particular interests. This presupposes an infrastructure in which persons are prepared to invest in companies. These investments not only have to be profitable, but must also generate so much extra profit that the investments which are made lead to new investments, so that the continuity of industrial life is safeguarded. Starting from the principles of the market, this 'preparedness to invest' has to be translated into the possibility of serving one's own particular interest. An investment has to generate surplus value by producing commodities for the market. Therefore, access to raw materials, the means of production, and so on, must first be guaranteed. Next, the commodities produced must meet the standards of the good life. This presupposes a commodity-inspection department. The persons in the market must be well informed with respect to supply. Therefore, an infrastructure is needed to provide this information: advertising via mass media and the internet, organizations of consumers, and so on. It must be possible to actually deliver the supplied commodities. This requires payment systems, roads, postal services and so on. It must be possible to make purchases at a reasonable price: no false competition must be generated by the formation of monopolies.

The persons in the market must have sufficient purchasing power to buy the goods needed to realize their particular interests. This means that they must be able to find a job. This presupposes that they have the required professional qualifications, which implies that they must have had the opportunity to attend the appropriate educational institutions. Finally, it must be ensured that wages correspond to the standards of the good life. This requires trade unions, collective agreements, performance evaluation and fiscal policies.

177 PhoR, §§ 209–229.

178 PhoR, §§ 231–249.

Innovation: The Transformation of the Particular Interest Outside the Framework of the Good Life

We have noted that the rationality of the market forces the organization of the production process to become more and more efficient. This increase in efficiency is especially dependent on the theoretical and practical education of employees. We have understood this process of education as the institutionalization of the overcoming of the fear of death and as the practical execution of the Copernican turn. Through this education in the labor process, new individuals again and again acquire real insight into their being-a-person. This has immediate consequences for the relation of the individual to the production process and to the good life. Individuals understand that the prevailing production process in service of the prevailing conception of the good life is only a historically specific interpretation. The good life can be conceptualized as a specific community of value. The law of the social organism appears as a specific (historically contingent) law.

The person who has insight into the historical contingency of the production process relates freely to the production process. This has implications for the knowledge of nature which is presupposed by the production process. This knowledge is no longer limited to the technological knowledge that employees must have as participants in the production process, but can now be understood as *applied* knowledge. The freedom of the person chiefly means that he has insight into the inherent essence of nature as a causally structured reality. With regard to the knowledge of nature, the free person largely takes up the perspective of modern science. He has (also theoretically) performed the Copernican turn and knows that his knowledge of nature follows from *his* law hypotheses which he could affirm experimentally. Technological knowledge is based on the application of specific laws of nature in specific situations.

If the scientific basis of technology is understood, the developments of technological innovation are no longer limited to the development of insight which immediately follows from participation in the production process. New technology can now also follow from the development of new scientific insights. This can imply that the pace of innovation is accelerated. After all, the development of science is not tied to specific laws of nature in a specific context, but is rather open to the development of many (new) laws of nature based on law hypotheses which do presuppose some conditions, but which are not necessarily tied to the *historical* conditions of the production process.

Only if the development of science and technology is institutionalized can the potential of technological innovation on the basis of scientific developments be fully utilized. According to the logic of the free market, this institutionalization

must not take place in institutions paid for by government to develop knowledge in the service of society as a whole (like universities), but rather in industrially organized institutions. The generation of science and technology has become a process of production. The product of these institutions must be marketable. This is achieved by a system of patents. Only under this condition can investments in scientific and technological research be profitable and, like investments in other companies, generate *profit*.

The application of patents in the production process can make existing procedures of production more efficient. Existing use values can be produced in a more economical way. In this case, the revised process of production remains inside the framework of the prevailing conception of the good life. Importantly, however, the application of patents breaks through the existing tradition. After all, the knowledge with which the production procedure is developed is not generated by the traditional system of production, but by scientific institutions which have withdrawn themselves from tradition and which are oriented towards the development of universal knowledge. [Self-evidently, scientific institutions also have a particular tradition; they concentrate, for example, on particular sciences. But the patents they develop have universal validity.] This means, firstly, that patents can be introduced into production procedures which serve not only the local (national) market, but also the global market. Potentially, all local producers have knowledge at their disposal which is necessary for the production of use values, without being obliged to limit themselves to use values which correspond to the local interpretation of the good life.

Secondly, however, it is of importance that existing use values can be further developed via the application of patents. This not only makes existing products correspond in a better and better way to the utility they serve (automobiles serve mobility better, telephones serve telephony better, and so on), but can also result in the development of qualitatively new products, whether in the form of the perfection of old products or not. The personal computer is no longer an improved computer, but provides a new form of usage which was not foreseen. The introduction of qualitatively new use values cannot be considered separately from their relation to the good life. On the one hand, the norms and values of the good life offer the conditions under which qualitatively new use values can be introduced and, on the other hand, this introduction of new use values leads to changes in the interpretation of the good life.

The changes in the interpretation of the good life established by the new use values especially concern the changes in consumption patterns. Examples are the introduction of mass tourism, social media, mass mobility and advanced medical technology. Changed consumption patterns can have an impact on prevailing norms and values: the breakdown of the norms and values of one's

culture (hooliganism, sexual abuse), obesity caused by a lack of exercise and unhealthy food, gaming addiction, endless internet utilization, artificial prolongation of life, and so on. Moreover, the changes concern the labor processes by means of which new use values are produced. New technologies have to be integrated into the labor process. This means that employees have to educate themselves; they have to acquire knowledge about these new technologies. Moreover, they have to learn to practically apply this new knowledge in the labor situation. The ongoing renewal of the labor process requires *education permanente*—employees who continuously adjust themselves to the new labor circumstances.

This ongoing renewal of the labor process corresponds to the ongoing renewal of business culture. Employees have to learn to work in a dynamic organization in which cooperation with others can continually take on new forms. This new business culture also has a new system of remuneration. We have already observed that the level of salaries is determined less by the market than by the prevailing culture. It is clear that a higher level of remuneration is associated with the changed business culture, not so much because more and more skills are demanded from employees, but primarily because the introduction of new technologies improves productivity and leads to a qualitatively and quantitatively larger supply of use values. Without raising salaries, there would be insufficient purchasing power to absorb this new supply. It is true that some products become cheaper, but this does not counterbalance the increase in the qualitative supply.

The modifications in the fields of consumption and labor presuppose an encompassing institutional framework which facilitates these modifications. In other words, these modifications do not only have to do with the possibility of chronicling scientific results in the form of patents, but also have to do with an economic context which stimulates technological renewal. The potential technological renewal must also be realized in actuality. This seems to require an economic system which is oriented towards economic growth. After all, technological renewal leads to a qualitatively larger supply of use values.

The growth of the economy is not only stimulated by the relations of competition in the market of commodities, but also particularly by the specific relations of the capital market. Those who borrow capital must pay interest for it. Therefore, those who invest in the production process have to realize a profit which at least counterbalances the interest paid. Therefore, a banking system which enables one to acquire debts and to pay interest for borrowed capital is a precondition for economic growth.

Economic growth could be necessary to raise the level of welfare or to compensate for an increase in population. Economic growth presupposes facilities

which do not follow from the free market: legislation which facilitates this growth politically, a banking system which is equipped for such growth, normative frameworks to handle new technologies, social structures suitable for handling ongoing innovation, and so on. Ultimately, these facilities must follow from legislation which is enacted at the level of the state. This legislation cannot represent the interests of a specific market player. The state has to function as the “particular will which wills the general interest as such”.¹⁷⁹ The general interest of the state cannot be deduced from the particular interests expressed in the market. The market presupposes a certain interpretation of the good life which not only facilitates the developments in the market or—in contrast to this—submits them to normative limitations through its norms and values, but which also facilitates restrictions in favor of sustainability. The finitude of earth does not allow economic growth without limit. Technological innovation ultimately may not lead to an increase in the consumption of energy and raw materials.

The Institutional Structure which can Guarantee Harmonic Unity between Developing Particular Interests

The development of particular interests under the influence of new innovations can imply that the prevailing framework of the good life is transcended. Therefore, institutional provisions are needed which ensure that innovations are in harmony with the corresponding development of the good life. These institutional provisions concern all domains responsible for innovation.

The development of science and technology and the determination of the good life are mutually dependent. On the one hand, the norms and values of the good life can evoke the need to develop new use values; on the other hand, the development of science and technology can enable the production of new use values, which calls for a redefinition of the good life. On the one hand, this leads to the need for a politics of science (which sector of science must be invested in and which social goals should this serve?) and, on the other hand, this leads to the need for reflection on the meaning and possibilities of the development of science and technology. Are certain developments desirable? Which possibilities do they offer? How do the different sciences cohere? Which norms and values are linked to the project of science? Because of the urgency of the real problems concerning the environment and the depletion of raw materials, the development of science and technology must serve sustainable

¹⁷⁹ PhoR, § 103.

society. New use values have to lighten the burden on the environment. The policy of science cannot confine itself to the imposition of rules. It must be sustained by academics who take responsibility, and who reflect on the question as to how science can contribute to the good life (to health, security, nutrition, a clean environment, ecologically justified production, and so on) or who warn us if certain developments come into tension with the norms and values of society. This makes specific demands upon the education of scientists. Beside their professional knowledge, they have to develop insight into the coherence of the sciences, and an awareness of social responsibility.

The innovation of labor also requires institutions which mediate between particular and general interests. Technology which is based on science is no longer dependent only on traditional developments. Therefore, labor is essentially transformed into labor which participates in a global production process. This requires an infrastructure which facilitates the importation of raw materials, energy, labor power and means of production from all over the world. The education of the labor force must continuously enable it to apply new technologies. These new technologies increase productivity and require new ways of doing things among professionals. This asks for a revaluation of remuneration and status which must be performed at a central level. Therefore, trade unions or comparable organization are needed to negotiate the level of remuneration and the conditions of labor. New responsibilities require new forms of professional honor and professional integrity. The achievement of this professional honor and integrity (the approach to a bonus culture, professional codes, professional oaths, and so on) must be shaped at a central level (in other words, not at the level of the particular company, but at the level of the production sector).

Innovation requires a flexible labor force. Flexibility, however, should not lead to an increasing number of freelancers (the so-called "zzp-ers").¹⁸⁰ After all, these freelancers are cut off from the company culture which provides room for professional honor which transcends particular interests, in other words, a company culture which transcends particular economic interests and which looks towards the embedding of production in the framework of the good life.

At the general level of the good life (*politics*), labor conditions must be subject to a framework which makes labor human (in other words, which makes labor correspond to prevailing norms and values). This includes measures which try to ensure that *everyone* participates in the labor process (including those who are unskilled or who are handicapped, groups who are less able to implement technological innovation).

180 Zzp: independent workers without permanent employees.

Innovation has extreme consequences for consumption patterns. In principle, consumption is disentangled from tradition, and produced commodities can be used in every country in the world. This demands infrastructures which are not organized from the starting point of a particular interest: infrastructures which provide export possibilities, world-wide infrastructural provisions (the internet), globalized transfer of payments, and so on. But precisely the disentanglement of tradition continuously evokes the question as to whether the new consumption patterns are compatible with the norms and values of the good life at the level of nation states. Institutions are needed to guarantee that goods and services meet quality standards (security, health, sustainability, and so on). Moreover, mechanisms are needed which enable us to answer the question as to whether new use values evoke behavior which does not meet the prevailing norms and values, so that the good life has to be redefined or the utilization of these new use values limited because they threaten to violate privacy or health, to lead to the breakdown of norms (pornography, violence) or to lead to the unacceptable exploitation of the environment. Civil society must have at its disposal action groups and NGOs which can make these questions the cause of public debate and which ultimately intend to change legislation. Public debate has to educate public opinion, which must ultimately legitimate the interpretation of the good life. This demands *political parties* to mediate between public debate and legislative institutions.¹⁸¹

Conclusion

The multitude of companies which are represented in the market by their owners, legal persons, can be compared with the multitude of legal persons of Roman law, who each represent a family. Both company and family are local 'social organisms' with a determined content which is separate in the first instance from the content of other companies and families. The harmony between families in the Roman Empire and between companies in the modern free market is initially only a matter of contingency. In the case of the Roman Empire, this contingency is explicated by an external cause. It is evident that the Empire cannot withstand the invasion of foreign powers and therefore declines. In the case of the modern free market, this external power (which finally results in the fear of death) is institutionalized and, therefore, has become an element of the free market system. In the market, companies fight a competitive battle, which leads to a life-and-death struggle. Under the

181 Cobben 2009, pp. 207/8.

influence of competitive battle, production must become more and more efficient. This results in the theoretical and practical education of employees. This renders their labor more and more mechanical, that is, it is increasingly robbed of quality. In this education, the individual practically performs the transition from the person who is actually tied to a certain production process into the formal person who can freely relate to the actual production process. This transition can also be characterized as the experience of the bondsman who recognizes himself in the lord, i.e., as the employee who can, like his employer, freely relate to production. The employer was already freely related to the production process. He has set up the production process as a freely made investment. This recognition, incidentally, is different from the transition of the Greek world into the Roman Empire, which was characterized as 'Verlust der Sittlichkeit'.¹⁸² At this stage there was no question of a free relation to content. The free relation to content makes this content contingent. This contingency becomes explicit when the employee is fired or when the employer becomes bankrupt. The result is that the employee becomes explicitly aware of himself as *first self*,¹⁸³ in other words, the self of the self-conscious person.

After the decline of the Roman Empire, the person of Roman law is transformed into the *unhappy consciousness*: into the person who knows its absolute essence as an elusive being and who tries to gradually realize this being in the real world. This results in the *second self*,¹⁸⁴ the *subject* of the French revolution, namely the free citizen who wants to make the law of the social organism the expression of his subjective freedom. In the *Philosophy of Right*, the person who relates freely to the production process is not an *unhappy consciousness*, but rather the moral subject who wants to realize his subjective welfare as the law of the social organism. Hegel understands this social organism as the *corporation*. In the corporation, the free subject expresses his being-a-self as a laboring being. In contrast to the French revolution, this does not lead to terror. Many corporations can exist alongside one another. The corporation is a local social organism whose harmony with other corporations can only be understood in the context of the encompassing social organism of the state.

The education of the *first* and *second self* in Hegel is broken down into distinct institutions (theoretical and practical education in the company and subjective self-realization in the corporation). We have noted Hegel's position that this implies that some persons do not have the opportunity to go through the education of the second self and actually become superfluous in the prevailing

¹⁸² See footnote 71.

¹⁸³ PhdG, 341; PhoS, 384.

¹⁸⁴ Ibidem.

economic system. In contrast to Hegel, therefore, I think that the education of the first and the second self have to be conceived of as moments of one and the same process of education, and should not be understood as distinct processes which break down into distinct institutions. All persons must realize their subjective freedom by entering into a labor contract with the community of a company in which they can give shape to their particular talents. In the community of the company, all persons are involved in a process of theoretical and practical education which enables them to explicate the relation of the first self, namely the relation to the production process as a contingent process. Although Hegel rightly argues that the theoretical and practical education of the labor process leads to labor which becomes more and more mechanical, and which can ultimately be replaced by machines, this does not necessarily imply that a category of unskilled laborers is generated (wage labor) which becomes superfluous as a result of automation, for the education of the first self is immediately tied to the second moment, the education of the second self. The existing production process is not only rationalized and mechanized, but is also simultaneously renewed by the introduction of new technologies. The renewal requires from the employees ongoing education and the continuous development of labor relations within the company.

For the second self, participation in the production process is mediated by the market and, therefore, is mediated by free, subjective choice. This freedom, however, is limited. After all, the free person has to make a choice within the limits of a given supply. Only at the level of the *third self*¹⁸⁵ is this limitation overcome. The third self is related to the production process as such—not only to its form, but also to its content. This means that this self is aware that the production process is a historically specific realization of the production process which serves a historically specific interpretation of the good life. Therefore, the third self is able to revise the historical interpretation of the good life. He has taken up the perspective of universal freedom, and considers the real world as a specific realization of freedom. He has, so to speak, already executed the proletarian revolution, in which the ties to a specific interpretation of the good life are overcome, throughout.

The third self acquires shape in modern science. The knowledge about the natural reality that is developed in modern science does not follow from experiences in the production process, but is generated by institutions which are oriented particularly towards scientific knowledge. Scientific knowledge is universal in principle. On the basis of this universal knowledge, specific technological knowledge can be developed which can be registered in patents and

185 Ibidem.

which can be applied in the production process. The employees of the modern production process must be able to integrate this ongoing technological innovation into the production process.

On a practical level, the third self acquires shape in an institutional structure which enables the free person to freely relate to the good life and to freely transform it. The legislative power which defines the institutional framework, within which the good life functions, must be in the hands of free and equal persons. This institutional framework is a normative structure which, on the one hand, ensures that technological innovation remains limited to the framework of the prevailing interpretation of the good life and, on the other hand, has the ability to continuously transform into a new institutional framework which can integrate innovation into a renewed interpretation of the good life. In the next chapter, the nature of this institutional structure which is able to continuously transform itself (the state, political parties, the public domain, the judiciary and the police) will be discussed.

Mediating Institutions between Market and State

Introduction

We have discussed how the contradiction which underlies capitalist society, according to Marx, is actually evoked by Hegel's *Philosophy of Right*, but does not necessarily follow from this work's point of departure. Marx rightly observes that insofar as the person in the market is oriented towards use values, he contradicts his universal freedom. The use value character of the commodities at the market only acquires meaning in the context of a specific interpretation of the good life. The commodities only have use value insofar as they are in the service of the good life. Insofar as the person is oriented towards a specific conception of the good life, he is part of a certain tradition and is, therefore, not universal.

Nevertheless, Marx thinks that the so-called universality of the person's freedom in the market can be given some meaning. This ultimately becomes clear when the theoretical relation of the market is left behind and the private domain of real production is looked towards. Insofar as use value can be understood as the result of general, mechanical labor (which only gets its qualitative determinedness through its synthesis with machines), it appears to have a universal source, namely abstract labor which is real as mechanical labor. This means that the universality of the free person is revealed as the universality of abstract labor which underlies use values. This universal labor, however, is not free labor, but rather alienated labor, namely labor which is abstracted from all quality. This is mechanical work which belongs to lifeless nature rather than to the living, free human being.

Marx can also borrow this concept of abstract, mechanical labor from the *Philosophy of Right*. Just as Marx thinks that abstract, mechanical labor is the result of a historical process of education (the development of the division of labor which under capitalist conditions reaches its highest stage, the separation between intellectual and manual labor), so too does Hegel hold that mechanical labor is the result of a systematic process of education in the company. The theoretical and practical education of the employee in the company leads to the rationalization of labor. The general principles which underlie the labor process are appropriated (offering the possibility of the replacement of labor by machines).

In Hegel, too, the genesis of mechanical labor is tied to a certain form of alienation. A class of wage laborers is created which only performs mechanical labor and which can in principle operate in all sectors of production. Precisely the fact that the labor of these wage laborers is separated from specific qualities renders them vulnerable. They no longer possess specific qualities and therefore can become superfluous. The increasing automation of labor even makes this superfluity structural. Therefore, Hegel thinks that the *System of Needs* is not able to provide jobs for all wage laborers. He concludes that superfluous workers must establish a new society elsewhere.

We have already observed that Hegel's conclusion that some must emigrate is in contrast with a conception which makes the equality of all its point of departure, not especially because the freedom of all cannot be realized in the same *System of Needs*, but rather because the endless establishment of new societies is incompatible with the finitude of earth. Hegel's solution is incompatible with the *sustainable society* and, therefore, cannot be accepted as the adequate institutionalization of realized freedom.

However, Marx's conclusion that the true realization of freedom is incompatible with the free market must also be rejected. Without the free market, the true realization of freedom is also impossible. Without the process of education in labor which follows from the competitive relations of the free market, the formal freedom of persons remains an unreal abstraction. It is precisely in this education that what was previously theoretically posited in the *freedom* of the person becomes real in practice. The free person is the essence of the thing. As owner, the person has the right to freely dispose of the thing. It is precisely this insight which has been acquired through theoretical and practical education. The realization of the formal person in education (which at the level of the lord/bondsman relation is thematized as the labor of the bondsman, resulting in the recognition of the lord by the bondsman) underlies the institutionalization of proprietary rights (the *Administration of Justice*). Precisely because the individuals are educated through labor, the freedom and equality of persons is for them no fiction, but rather reality.

Nevertheless, the freedom of the person could in a certain sense still be called ideological because it is not universal. After all, education is executed in the framework of an existing production process (which serves a specific interpretation of the good life). Therefore, the insight in which education results is an insight into *contingent* reality. This contingency becomes understandable for the real person at the moment that his relation to the real production process is disturbed, namely when the person as employee is fired. In this experience, the person realizes that the reality in which he thought he had objectified his freedom is lost. What remains is the *unhappy consciousness*, the awareness

of freedom which he can only retain as an unreal being. In contrast to Marx, this *unhappy consciousness* is not the prelude to proletarian class consciousness which strives for a society in which the free market has been overcome. Hegel thinks that the loss of freedom in the *System of Needs* can still be undone at the level of civil society: not in the company, but in the corporation.

In the corporation (which Hegel also designates as the *second family*), the *disappearance of ethical life* which characterizes the *System of Needs* is overcome. This overcoming is, according to Hegel, explicitly not at order when the person participates in the company as employee. The employee in the company is functionally utilized. He functions in the framework of professional relations. This also appears in the process of education in which he can be involved. This process of education results in the improvement of professional behavior, in an increase in efficiency which can result in automation. The point of departure for the employee in the company is, according to Hegel, his particular activities. The transition to a general point of view (rendering the particular labor activity a moment of the general labor collective) is—in the form of education—only executed practically.

When Hegel tries to conceive of the overcoming of the *disappearance of ethical life* at the level of the corporation, this firstly means that the transition from the particular interest to the general interest at the level of the corporation is no longer only executed practically, but rather in a self-conscious manner. In the corporation, the process of production is explicitly (in other words, self-consciously) posited in the service of the good life. This can only mean that the free market is overcome at the level of the corporation. But what does this mean, precisely? What does this overcoming imply for the survival of the free market as a relatively independent institutional order?

For Hegel, firstly, this means particularly that the board of the corporation is not constituted via the market, but rather via appointment by the state (i.e., the general interest has been made the point of departure). Moreover, the boards of the corporations are represented in parliament. This not only guarantees that the legislative framework in which the corporation operates situates the interests of the particular corporations within the harmonic unity of the general interest, but also that the relations between the corporations acquire a dynamic character, which makes room for innovation.

Secondly, it means that for Hegel, the members of the corporation, in contrast to the employees of companies, have no functional relation to the corporation. The members of the corporation self-consciously realize their subjective welfare in the corporation. This not only means that their admission to the corporation rests on a self-conscious choice (which is based on a comparison of the subjective qualities of the potential corporation member with the objective qualities

demanded by the corporation), but also that labor activity is now understood as self-conscious cooperation between professionals (who cherish their professional honor from which they borrow respect or to which they award respect).

According to Hegel, the sublation of the free market in the corporation does not come at the cost of the existence of the free market. The corporations exist alongside the *System of Needs*. Not all free persons become members of corporations.¹⁸⁶ Corporation members possess specific qualities and have received a specific education. There is no space for the mechanical labor of wage laborers in the corporation.

At the level of the corporation, Hegel seems to have established something which Marx too wanted to arrive at: self-conscious production in the service of the realization of freedom for all. Obviously, for Hegel, this need not be accompanied by a proletarian revolution and the sublation of the free market. Considered from Marx's point of view, however, Hegel's version of self-conscious production is still imperfect, not only because the division in corporations starts from a historically specific mode of production (which despite its dynamic form nevertheless remains the point of departure), but primarily because civil society is not wealthy enough for all. Not everyone can become a member of the corporation.

In the previous chapter, I tried to meet this criticism of Hegel by arguing that company and corporation must not be understood as different forms of institutionalization, but rather as moments of the modern company. The modern company is characterized both by theoretical and practical education which facilitates automation, and by the ongoing process of innovation, which renders the company a self-conscious community of labor in which persons can self-consciously realize their subjective particularity. Under the conditions of the modern company, alienation, which according to Marx is generated by the market, is no longer conceivable. After all, this alienation is associated with the separation between market and production. This separation followed from the genesis of wage labor, that is, labor which is reduced to a thing in the labor process. In the modern company, the employee is no longer reduced to a thing, but participates self-consciously in the labor community. The labor of modern laborers cannot be reduced to abstract labor in the Marxist sense. As self-conscious bearers of the innovation process, modern employees understand that the production of value in the labor process presupposes scientific and technological insights. The modern employee is related to the production

¹⁸⁶ PhoR, § 252.

process as such. He knows that the prevailing production process is a historical form of realization of the production process in general.

Therefore, the production process cannot become legitimate as a system which has become independent and which exercises—as Capital—power over the employees. The employees know that the labor process is a historically specific realization of human labor in general, that is, labor which is based on insight into nature. This implies, incidentally, that the economic system cannot be understood in the sense of Jürgen Habermas.¹⁸⁷ The economic system is not a system which holds the possibility of colonizing the lifeworld.¹⁸⁸ After all, this possibility is linked to the conception of money as ‘entsprachlichtes Medium’.¹⁸⁹ This conception, however, presupposes that the use values of things can be unilaterally determined by the market (as a comparison of use values). This one-sidedness is overcome under the conditions of the modern company. Under these conditions, the Copernican turn has been executed, leading to the insight that value also has a subjective source, namely the insight into nature.

The new employee who is related to the production process as such knows that the prevailing production process presupposes a historically specific interpretation of the good life. This specific interpretation is expressed in *human law*, the law of the state. But precisely because human law is understood as a historically specific expression of human autonomy (and is therefore tied to contingent content), free persons are aware that this law can be interpreted in an alternative manner. This implies the possibility of dissensus between free citizens. After all, no person can claim to represent the point of view of the free community as such (as the Communist Party did in the Marxist tradition). Therefore, free self-realization requires mediating institutions which render conceivable the manner in which a multitude of free persons can accept the same human law as the legitimate expression of their freedom. In this chapter, the appearance of these mediating institutions will be developed.

The State as Presupposition of the Free Market

Marx rightly states that the universal freedom of the market is an ideological fiction. Insofar as the commodities at the market have use value, they

187 Jürgen Habermas, *ThdKH II*, p. 255ff.

188 *Ibidem*, p. 293.

189 *Ibidem*, p. 265.

presuppose a particular interpretation of the good life: an encompassing framework in which it becomes possible to speak about use values at all. The good life can be designated as 'second nature'—the cultured nature in which the human being expresses his freedom. Humans (who cultivate nature as bondsmen) represent this second nature as 'lord'—the godhead in which the absolute power of nature is represented. Only if the Copernican turn has been executed and the insight developed that human freedom is hidden behind the power of nature, can the human being become explicitly aware that he realizes his freedom in second nature. He can then understand the lord as the pure freedom which is served in the form of a historically specific human law, in other words, a specific, historical form of the good life.

In the free market society, the Copernican turn has been executed. Therefore, the interpretation of the good life underlying the market is explicitly understood as a historically specific interpretation of *human law* which expresses itself in the institutions of the state. For the modern citizen, human law has a contingent content. He lives in a tradition (characterized by the norms and values of the actual society), but he is simultaneously related to tradition, and is aware that human law can also have another content. Precisely this awareness—this freedom in relation to tradition—enables modern citizens to develop dissensus, to have the possibility of holding different opinions about the normative content of human law.

Insofar as the modern citizen participates in the modern company, this dissensus is not only a possibility, but also a reality. After all, we have observed that education in the modern company is not only the condition under which individuals can relate themselves as citizens to tradition (in education they realize themselves as free and equal persons), but also the condition under which employees want to give tradition a new content. The employee is continuously involved in processes of innovation which transcend the prevailing tradition. As a result of this experience, the modern employee considers tradition with critical eyes and is motivated to adapt it.

The criticism which the modern employee levels towards the prevailing tradition implies that he becomes explicitly aware of the contingency of this tradition. However, the innovation that he eventually wants to transcend is also contingent, not only because these innovations join the contingent use values which are already produced by the company, but also because these innovations follow from the application of *determined* laws of nature. The determined law of nature (the validity of which depends on experimental proof) is also contingent. The consequence of this double contingency is that the dissensus between the modern employees of distinct companies must necessarily appear. This dissensus makes it impossible to indicate the sense in

which the prevailing interpretation of the good life must be adapted in order to maintain its legitimacy for the employees. The contingent motivations for a revised interpretation of the good life differ from employee to employee. A revised interpretation of the good life can only acquire legitimacy (in other words, can only be understood by all as a historically specific interpretation of the good life) if institutions exist which allow dissensus to be overcome and a new consensus to be established.

These institutions which are directed towards bringing about consensus can firstly be understood as procedural institutions. They must develop new frameworks of interpretation in which innovations are tied to one another and to the old world view, and in which criteria are provided to reject certain innovations or, on the contrary, to accept them. This development requires a public space which offers numerous possibilities to enter into critical discourses about these new frameworks of interpretation (mass media, the arts, universities, and so on). Political parties which translate these new frameworks of interpretation into consistent political programs are necessary. Legislative power is needed in which these political parties participate. Via political discussion and voting procedures, legislative power must adapt legislation to the desired innovations.

The legislator has to ensure that institutions are created which facilitate the realization of the chosen interpretation of the good life, namely an apparatus of functionaries which guarantees (with or without an appeal to the players in the market) that the general provisions necessary for the shared interpretation of the good life are actually accomplished (infrastructure, education, financial systems, and so on). It makes little sense, incidentally, to describe this apparatus of functionaries as a bureaucratic system in which the participants (citizens and functionaries) are related to one another via the 'entsprachlichte Steuerungsmedium' *power*. Insofar as they are self-consciously related to tradition, they do not suddenly lose their self-consciousness when they participate in the bureaucratic system. They have insight into this system as such, and are aware of the role they have to play in order to achieve the ends which this system intends to accomplish. The participant in the traffic system is aware that he must observe the traffic rules and that the policeman can give him a fine if he neglects to observe these rules. In the relation to the policeman, it is not the relation to the traffic system as such which is relevant. The system character of the traffic system acquires shape because individual traffic participants observe the rules of the system, even if they do not agree with the system. This certainly does not mean that the system cannot become independent towards the particular participant because it exercises power over him against his will. If a particular participant does not agree with the system, he is obviously aware that others want the system. If he is not convinced that others want it, he can

try to persuade those others to abolish the system. Even if this occurs, the question can still be raised as to how sustainable this consensus is and how quickly it could be replaced by a qualitatively different consensus. In his discourse theory of truth, Jürgen Habermas tried to provide a solution to this kind of problem by systematically explicating the conditions under which an achieved consensus can be considered a reasonable consensus. However, in this theory too, it is not only the factual realization of consensus which remains uncertain, but also the grounds upon which consensus can be reached. In the light of the separation between truth and objectivity for which Habermas pleads,¹⁹⁰ consensus does not in fact follow from the objective qualities of something about which consensus has been reached, but rather from consensus with regard to the evaluation of this something. This may perhaps appear to correspond to the Copernican turn, but it does not. The primacy of the intersubjectively shared judgment of the object with regard to the object itself rather leads to an endless multitude of interpretative perspectives, not to insight into the object itself. It is true that the object which has to be interpreted in this case—the good life—is an object which can never be completely known (it is impossible to give a definitive rendering of this object because the good life always encompasses contingent relations), so that an interpretation is indeed necessary, but this does not imply that it is impossible to attach qualities to the good life which are necessary. The good life is not an object from which free persons who want to interpret it can exclude themselves. The good life encompasses the free persons; it is the comprehensive world which also produces free persons themselves. Therefore, the good life must be determined as substance. The good life not only reproduces itself, but also the free persons who are able to relate to good life. We have already seen what this implies. The substance of the good life has to be understood as the self-realization of the free person. The institutional order in which the free person reproduces himself has to be understood as an order which reproduces itself.

We have already partially discussed what this self-reproduction means. The family has been understood as the reality of the free person. The reproduction of the family was conceived of as a cyclical process. The family is constituted by free persons and (by means of the education of the children) results in the free person. The same is true for the reproduction of civil society. Civil society is constituted by a multitude of persons who relate to one another in a free and equal manner. Moreover, this relation between free and equal persons also results in a multitude of free and equal persons. In the labor process, real individuals pass through a process of education and reproduce themselves as free

190 Jürgen Habermas, *Wahrheitstheorien*, p. 151ff.

and equal persons. However, we have not yet discussed the manner in which the reproduction of the self-conscious state (in which the interpretation of the good life is involved in the dynamics of ongoing innovation) can be executed.

The state's point of departure is the multitude of modern companies in which use values are produced in service of the realization of the good life. Modern companies continuously innovate, so that the interpretation of the good life must repeatedly be revised. This revised interpretation must be based on the consensus of all free and equal persons. However, the process of innovation must simultaneously reproduce the content of these modern companies, that is, this process must produce the use values which serve the realization of the good life (in the revised interpretation). Therefore, the reproduction of the state, and of the institutions mediating between the market and the state, must meet the demands of the sustainable society. Only under this condition is the ongoing reproduction of the state conceivable. Only a sustainable society can be understood as substance.

The Reproduction of the State and the Mediating Institutions in the Light of Sustainability

The reproduction of the modern company presupposes that ongoing innovation does not undermine the company's foundation of existence. Therefore, this reproduction must meet the demands of sustainability. This means that the development of new scientific and technological insights must lead to products which would, if actually produced, be compatible with the sustainable society. This seems to require a politics of science, in order to direct scientific and technological research towards the promotion of the *green* society.

The call for this politics of science, however, seems to be in tension with the universality of scientific insights. If scientific insights are universal, how can they be oriented towards a *particular* society, i.e., a *green* society? This objection can be countered by pointing out that while it is true that scientific insights have general validity, this validity is nevertheless subject to restrictions. Scientific insights are hypothetical; they are only valid if certain conditions are satisfied. Although the *form* of the law may express a universal property of nature, the *determined* law of nature is only valid under certain (experimental) conditions. The contingency of the determined law of nature implies that scientific research can be brought into a relation to a particular society. The interpretation of the good life which characterizes a specific society can be investigated. As a positive system, society can become the object of scientific research, namely as a system in which some law relations are valid in

a certain mutual coherence. With regard to this, the question can be raised as to whether this coherence is consistent with sustainable reproduction. If this is not the case, the conditions under which this reproduction can become more sustainable can be investigated. In this way, the conditions which are met in an existing society can be the motivation for certain scientific questions. The general scientific knowledge which is generated can then be related to the prevailing society because of its specific conditions, and this knowledge can contribute to a society which has *greener* objectives.

Nevertheless, the politics of science in the abovementioned sense only has a limited impact. Precisely because scientific research is universal, it need not follow certain traditions. It is conceivable that science could follow new, revolutionary paths, which do not correspond to what is already known. But does this not mean that new scientific research can be the foundation for qualitatively new use values, which can only be introduced if the interpretation of the good life is submitted to radical change? How is a politics of science possible in this scenario? After all, the potential new use values which are at stake are unknown. It is also unknown whether these use values will be accepted at all and, if they are accepted, how they will interact with the old use values. It does not make sense, in either a national or in an international context, to make any predictions about this. In what manner could the politics of science then serve the sustainable society?

As long as one talks without differentiation about 'qualitatively new' use values, it is indeed meaningless to talk about standardizing these use values by means of a politics of science. However, perhaps something more can be said about the frameworks in which it is meaningful to speak about 'qualitatively new' use values. Use values are the product of labor. Is it not, therefore, possible to establish a link between the nature of labor and the quality of the use value? Could it not be possible, in a way that is analogous to the ordering of labor as a history of the division of labor, to design an ordering of use values too?

I think that the Marxist ordering of the history of technology as the history of the division of labor can be coupled with the ordering of Arnold Gehlen, when he interprets this history as the history of *Organersatz* (replacement of organs).¹⁹¹ I will explain that, via this link, the history of technology also delivers a qualitative standard to measure the history of the development of use values. This makes it possible to investigate the extent to which the criterion of sustainability can play a role.

191 Arnold Gehlen (1957, p. 8).

For Marx, the history of technological development begins with the division of labor. Labor is socially divided because the physical qualities of one person are better suited to a certain kind of labor than the physical qualities of another. People may possess qualities such as strength, height, agility, endurance, sharp eyesight, and so on, which would make them better suited to the labor with regard to which these physical qualities are valuable than others. This form of labor division can be related to the first stage of technology which Gehlen identifies: the replacement of certain body functions by tools.¹⁹² The arm can be lengthened by a stick, the power of a fist can be strengthened by a stone, the speed of walking can be augmented by a bow and arrow or a rifle, the sharpness of sight can be enhanced by eyeglasses or a telescope, and so on. At this stage of technology, tools can be understood as the objectification and intensification of the physical differences which underlie the division of labor.

The tools that are developed are used to produce use values. Since these tools are intensifications of natural physical functions, the produced use values are also intensifications of (certain kinds) of natural means of needs satisfaction. Insofar as the use values are produced with the help of tools, the natural means of the satisfaction of needs acquire a cultural form. The question which interests us here is whether something can be said at this level about the *sustainability* of the developed use values.

The society of the division of labor is a traditional society. It would be sustainable if it was able to continuously safeguard its reproduction. This, however, is not the case. Natural circumstances, for example, can lead to starvation or other forms of scarcity. Epidemics can cause chaos. This can lead to the breakdown of the society. This lack of sustainability, however, has an alternative meaning to that which we generally give to it in our age. Here, the breakdown of society has to do with the superior power of nature—with the superior power of the environment of a society which can be understood as social organism.

The second stage of technological development which Marx identifies is the stage of the advanced division of labor, based on explicit technological insights (*Arbeitsteilung*); this stage ultimately results in the separation of intellectual and manual labor. At this stage, scientific insight into nature has been acquired. Based on this insight, machines can be constructed which are developed by intellectual labor. The manual labor needed to make these machines work can

192 Arnold Gehlen, (1957, p. 19) Gehlen quotes H. Schmidt ("Die Entwicklung der Technik als Phase der Verwandlung des Menschen", p. 119): "Auf der ersten Stufe [der zunehmenden Entlastung des Menschen, p.c.], der des *Werkzeuges*, werden die zur Arbeit notwendige physische Kraft und der erforderliche geistige Aufwand noch vom Subjekt geleistet."

largely be replaced by automation, so that manual labor becomes superfluous. This second stage can be related to the second stage of technology identified by Arnold Gehlen. In his second stage, technology replaces the human body.¹⁹³ In automatized production, the human body is replaced as the agent of labor by machines.

The use values produced by machines are not necessarily the extension of the natural means of the satisfaction of needs. Production based on scientific insights is, after all, universal, and not tied to a specific tradition. Insofar as machines produce use values, these use values naturally serve a specific tradition, but the utilized technology is no longer tied to a specific tradition. The insights of modern science and technology can in principle be applied in any tradition.

The interesting question is again whether the use values produced by automatized machines meet the criterion of sustainability. In comparison to the first stage, the answer to this question has undergone a radical change. The superior power of external nature can no longer be blamed for the lack of sustainability. After all, nature is largely understood and, therefore, largely under control. Now, the lack of sustainability rather has to do with the superior power of the production process with respect to surrounding nature. The production process no longer has an internal measure which it can borrow from its service of the good life. Production has largely been globalized and produces for a global market. The production process also cannot derive an internal measure from its production of use values which are in the service of free persons who are also living organisms. Use values can no longer be considered as the natural means to satisfy needs in a cultural form. Use values are deduced from insights generated by science and technology in relation to the properties of nature. These properties can be linked with certain possibilities for utilization, and can ultimately be activated for the production of certain use values. These use values are no longer related to natural needs (in a cultural form), but rather have meaning for free persons who participate in the *System of Needs*. These use values are limited neither in their quality (which can be endlessly differentiated), nor in their quantity (those who have a great deal of money can afford to buy immense quantities of them).

Considered from the perspective of the market, use values are, as already observed by Marx, nothing more than forms of manifestation of abstract labor. However, we have since observed that abstract labor must not be understood as abstract labor in the sense of Adam Smith and Marx, but rather as the

193 Ibidem: "Auf der zweiten Stufe, der der *Arbeits- und Kraftmaschine*, wird die physische Kraft objektiviert."

universal insight which underlies the production process. We also know, however, that the use value character of commodities cannot be derived one-sidedly from the market. Use values only have meaning in the context of an interpretation of the good life which encompasses the market.

It is characteristic for the second stage of technology that there is no internal bond between the rationality of the production process and the interpretation of the good life, which can limit this production process and which can subject it to the demands of the sustainable society. Therefore, free persons cannot borrow arguments from their participation in the production process to provide their interpretation of the good life with a specific content.

The third stage in the history of the division of labor which Marx identifies can be characterized as the communist stage, in which the production process is self-consciously planned by (representatives of) the proletarian class. This self-conscious planning must guarantee that the production process produces use values which cohere with the self-consciously performed interpretation of the good life. This third stage can be compared to the stage of the cybernetic machine. At this stage the replacement of organs is completed.¹⁹⁴ Not only is the human body objectified in the production process, but also the human mind. As a cybernetic machine, the machine has become self-aware in some sense. The machine is no longer an automated machine, the practical operation of which is fixed once it has been built, but a machine which is able to 'reflexively' relate to factors of its environment. The operation of the classical machine is dependent upon given conditions. For the cybernetic machine, however, these conditions are input data for the computer program which runs the machine. Different input data lead to adaptation of the operation the machine. It is important to acknowledge here that the term 'factor of environment' must be understood in a broad sense. It not only refers to the *natural* environment (physical conditions, the quality of the material which has to be used), but also to the social environment, that is, all the human factors that are relevant to the production process in question (innovation, patents, employees, levels of education, stakeholders, clients, trade-unions, supervisors, and so

194 Ibidem: "Schliesslich wird auf der dritten Stufe, der des Automaten, auch der geistige Aufwand des Subjektes durch technische Mittel entbehrlich gemacht. Mit jeder dieser drei Stufen schreitet die Objektivation der Zweckerfüllung mit technischen Mitteln fort, bis der Zweck, den wir uns gesetzt haben, durch den Automaten allein ohne unser körperliches und geistiges Zutun erreicht wird. Die Technik erreicht in der Automatisierung ihre methodische Vollendung, und dieser Abschluss des in der Vorzeit beginnenden Entwicklungsprozesses der technischen Objektivation der Arbeit in der Gegenwart ist ein einschneidendes Merkmal unseres Zeitalters."

on). Through the integration of all factors of the environment in the guiding computer programs, modern companies become a moment in the complex entirety of the production system as such. Coordination no longer needs to be left to external (political) institutions to achieve, but rather seems to be inherent to the modern mode of production.

The communist stage envisaged by Marx leaves open the question as to how self-conscious production must be determined. The notion that this question should be answered in the form of the communist party which decides on behalf of the proletariat has been shown to be fatal. After all, the essential problem is how a multitude of free and equal persons can achieve the same self-conscious interpretation of the good life. Marx assumes that the communist revolution is born out of capitalism.¹⁹⁵ Capitalism provides a process of education that renders the proletariat able to give the production process a self-conscious form. It remains unclear, however, as to how this education can be established under the condition of the separation of intellectual and manual labor (the separation which is, according to Marx, crucial for capitalist society).

However, if the third stage is not understood in terms of the communist society, but rather in terms of the cybernetic machine, the impasse in which Marxism results can possibly be resolved. If the implementation of the third stage (of the cybernetic machine) is linked to the conception of the modern company as have we developed it, then the process of experience which leads to self-conscious production can possibly be understood as a process of experience which is undergone in the modern company without the need for a communist revolution (which eliminates the free market). Until now, we have understood the process of education in the modern company as a process in which ongoing innovation is integrated into the production process. This evoked the question as to how the coherence between, on the one hand, innovation in different companies, and, on the other hand, the interpretation of the good life, could be understood. It seems that this question can be answered if the cybernetic machine is conceptualized as the materialist condition under which the modern company can be generated. If the 'environment' of the cybernetic machine is understood in a broad sense (that is, including the socio-economic environment) then the computer programs which guide the modern production process accomplish the task of coordination. The modern company is internally related to other companies. Through the 'self-awareness' of the cybernetic machines' programs, the production process in which modern companies function becomes a coherent totality. The process of education

195 Karl Marx, *Critique of the Gotha Program*, p. 24.

in which the employees of modern companies are involved allows them to situate themselves in the framework of this totality. Yet this does not solve the problem. While it is true that the modern companies' relation to one another, considered from an internal perspective, can now be understood, and, in this sense, can be an integrating moment in the production process in its entirety, this integration takes place via computer programming. The variables which are dependent upon a specific interpretation of the good life are part of the conditions which must become integrated in this programming. Many interpretations of the good life are possible. A choice in favor of a certain interpretation remains an act of freedom. Even if the production process is an internally coherent totality, this nevertheless cannot lead to the deduction of an interpretation of the good life. Just the reverse: as an internally coherent totality, the production process already presupposes a specific interpretation of the good life. Therefore, separate institutions are needed, outside of the production process, which enable free and equal persons to establish a shared interpretation of the good life. Thanks to these institutions, the Copernican turn is self-consciously integrated in the third stage of technology. This means that the freedom of production is institutionalized as such.

We have already observed that the interpretation of the good life has to be mediated by the gathering of information, opinion-forming, and argumentation in the public domain, at the level of political parties, and in parliament. We are now, however, able to investigate what the consequences will be if these mediating measures meet the demands of sustainability.

In the public domain, free and equal persons are informed about the supply of use values. The information they get must not only concern the quality of these use values (possible uses, security, utilized (raw) materials), but must also be oriented towards sustainability (energy labels, carbon footprints, possibilities for recycling). The companies which deliver the use values have to be transparent about their company politics. In their annual reports, they have to account for matters which concern the environment and sustainability. Consumer organizations not only have to pay attention to the price/quality ratio, but also to the environmental burden which the delivered goods and services imply.

The particular interests which the companies at the market represent (they produce *specific* use values) can be in tension with the demands of a sustainable society. Therefore, it is necessary that the information provided by companies about their company politics must always be able to be critically demonstrated and evaluated by the standard of sustainability. This can be achieved by action groups or NGOs, or, more generally, by a critical media. Nevertheless, the danger exists that these critical organizations may be subject

to an information lag. Multinational companies develop balanced strategies based on research in which huge financial means are invested. Generally, critical organizations do not have these kinds of finances at their disposal, leading to the danger of an information lag. Therefore, it is very important that the demands of sustainability are not only externally formulated (in which case they can only be implemented as a correction of a policy which has previously been elaborated), but also internally formulated. In this process, trade associations can play a decisive role.

Trade associations not only have adequate information at their disposal about the companies they represent (because this information is first hand), but also transcend the particular interests of the separate companies. They are interested in representing the sustainability efforts of the trade as a whole, and can therefore relate critically to participating companies that allow their particular interests to prevail over the interests of sustainability. Trade associations can also play a role in formulating the demands of education insofar as they have developed insight into the relation between the specialty of their trade and the demands of the environment.

Trade associations also represent a particular interest, albeit at a higher level than the particular interest of individual companies. Therefore, it is important that the distinct interests of trade associations are brought together into a coherent vision as to how the production process in its entirety can serve the prevailing interpretation of the good life. The formulation of this vision is the task of political parties. They can only commit themselves to a specific interpretation of the good life if they can explain how this interpretation can be linked to a sustainable form of organization of the production process in its entirety. This shows that the demand of sustainability also requires special conditions with regard to political parties. Single issue parties, for example, cannot develop a meaningful vision about the production process in its entirety and, therefore, cannot involve sustainability in their considerations.

Political parties formulate an interpretation of the good life which, on the one hand, is based on the interpretation of the good life as it is expressed in prevailing legislation and, on the other hand, is based on possible innovation. Which innovations are possible can be determined on the basis of input delivered by modern companies, trade associations, trade unions, action groups and NGOs. In prevailing legislation, a historically specific interpretation of the good life is expressed. From their ideological point of departure, political parties evaluate this interpretation. Based on this evaluation, and based on their assessment of the value of possible innovations, they can propose various changes to legislation. These proposals can be discussed in parliament. Despite the ideological differences between the parties, these proposed changes have

to result in legislation which leads to sustainable institutions in which freedom and equality are reproduced. The discussions in which proposed changes to legislation are evaluated cannot continue indefinitely. Therefore, these discussions must be conducted in the framework of institutions in which rules are agreed upon as to the manner in which certain voting procedures can lead to decisions. This process of decision making may or may not result in the adaptation of the legislation which defines the sustainable institutions in which the freedom and equality of the persons is reproduced. In the next chapter, the necessary conditions which these institutions have to meet will be elucidated.

Conclusion

The employees of modern companies have become self-conscious. They are aware that the company that they work for participates in a labor system which produces use values in the service of a historically specific interpretation of the good life. In the labor process, universal scientific knowledge is utilized in a particular (historical) production system. Innovation in science and technology that is generated in the context of the free market leads to a potential supply of new use values. However, the introduction of new use values presupposes an ongoing revision of the interpretation of the good life.

In a free society, the renewed interpretation of the good life is mediated by the opinions-forming of free and equal citizens. This not only requires institutional provisions which enable the citizens to have insight into which renewed interpretations are possible (transparency of companies, free communication, political associations, and so on), but also procedures which guarantee that revised legislation is an expression of the citizen's opinions.

Precisely because citizens are free, it remains questionable as to whether they can realize a shared opinion. The double contingency of the given subjectivity of the citizens and the given traditional context makes the forming of shared opinion a matter of coincidence. This contingency can be overcome in two ways—on the one hand, by binding the forming of opinion to procedural rules (voting procedures, electoral thresholds, and so on) and, on the other hand, by binding the forming of opinion to demands concerning content: the renewed interpretation of the good life must serve the sustainable society. This evokes the question as to whether the development of scientific and technological insights, which facilitates the revised interpretation of the good life, is internally connected to the demands generated by the sustainable society.

Marx links the development of science and technology to the process of the division of labor. The three stages of the division of labor which Marx identifies

can be related to the progression which Arnold Gehlen introduces when he understands technological development from the point of view of "Organersatz" (replacement of organs). In the approach of Marx and Gehlen, the development of science and technology not only acquires a quantitative meaning (more knowledge), but also a qualitative one: firstly as the replacement of the organs, secondly as the replacement of the body, and finally as the replacement of the spirit. In the final stage (the stage of the cybernetic machine), the production apparatus has become self-reflexive: it has taken back its relation to the environment for itself. This not only means that social production has fundamentally obtained a self-conscious form (a subject-structure), but also that it can largely be understood as a sustainable process. The self-conscious process of production which has integrated the environment as its own moment can predominantly be conceived of as a substance.

If the decision-making which results in a renewed interpretation of the good life wants to express the adequate realization of freedom, it has to make the abovementioned substantial form of the production process its standard; in other words, it must presuppose institutional structures in which the self-conscious production process acquires shape. In the next chapter, these institutional structures are elaborated upon as the globalized world in which a multitude of states are related to one another in an international legal order. We will see that this international legal order does not correspond to the Communist International, but rather to Hegel's Absolute Spirit.

The Identity of the Sustainable State and the Adequate Determination of Value

Introduction

According to Marx, the state expresses the interest of the *Gesamtkapital*. Therefore, the power of the state is understood as an ideological power. It is not the “particular will which wills the general as such” (Hegel, *Grl.* § 108), but rather the particular will (namely the encompassing interest of capital) which pretends to serve the general interest. The ideological status which Marx ascribes to the state is not surprising. After all, the free market in which persons try to realize their particular interests is the point of departure of his analysis of the capitalist society. Marx thinks that the process of education of the free market is not able to transform persons into persons who are bearers of universal freedom. The process of education rather leads to the separation of intellectual and manual labor—the separation between scientists and technicians, on the one hand, who serve capital and who facilitate the development of increasingly advanced machines, and wage laborers, on the other hand, who only carry out mechanical work. Only if this separation is overcome, and intellectual and manual labor is reunited, does the possibility of serving the general interest arise. However, this is only possible if the free market is overcome and the capitalist society transformed into a communist society in which the production process is not determined by the market, but rather self-consciously planned in the service of a society which is no longer divided into classes.

Marx’s utopia of the communist society is attended by fundamental problems which cannot be solved without the free market. Firstly, after the communist revolution, the process of technological innovation will still continue. New technologies result in new use values. Without the free market, it does not seem to be possible to determine which new use values correspond to the needs of persons. Secondly, it is not clear how the multitude of free individuals will reach consensus about the self-conscious production process after the revolution.

Marx thinks that both problems can be solved by the communist party, which determines which conception of the good life is served by self-conscious production in the name of all free individuals. However, without the free market, the determination of the good life is mediated neither by the subjective

achievement of the satisfaction of needs, nor by subjective opinion-forming about the good life. The determination of the general interest is imposed by the nomenklatura without the consultation of the people. Under this condition in particular, ideological appearance is present: it is not the interests of the people that are served, but rather the interests of the party elite.

We have argued that legitimate legislation which underlies the institutions of the state must be mediated by democratic opinion-forming in the public domain. Such a domain presupposes the free market and civil society. We have provided, in contrast to Marx, an alternative interpretation of the market's process of education. This process does not lead to the separation of intellectual and manual labor, but rather to the development of a self-conscious production apparatus which presupposes a political order in which the good life is self-consciously determined. In this chapter, the institutional conditions under which the identity of a sustainable state can be guaranteed are investigated. Only under these conditions can value be adequately determined, namely as value in the service of a sustainable conception of the good life.

How to Determine the Identity of a Self-Conscious State?

The fundamental determination of the self-conscious state's unity is explicated by Hegel at the end of the *Morality* chapter of the *Philosophy of Right*, in which he speaks about "die Forderung eines Willens, der als besonderer *subjektiver Wille* das Allgemeine als solches wille" (§ 103).

Hegel determines the "general will" which has to be willed "as such" as the "ethical substance" (*sittliche Substanz*)—the real spirit of a people (§ 155), which appears as "second nature" (§ 151). The particular will who wills the general will as such is determined by Hegel as *monarch*: "Dieses letzte Selbst des Staatswillens ist in dieser seiner Abstraktion einfach und daher *unmittelbare Einzelheit*; in seinem Begriffe selbst liegt hiermit die Bestimmung der *Natürlichkeit*; der Monarch ist daher wesentlich als *dieses* Individuum, abstrahiert von allem anderen Inhalts, und dieses Individuum auf unmittelbare natürliche Weise, durch die natürliche *Geburt*, zur Würde des Monarchen bestimmt" (§ 280).¹⁹⁶

196 "This ultimate self in which the will of the state is concentrated is, when thus taken in abstraction, a single self and therefore is *immediate* individuality. Hence its 'natural' character is implied in its very conception. The monarch, therefore, is essentially characterized as *this* individual, in abstraction from all his other characteristics, and *this* individual is raised to the dignity of monarchy in an immediate, natural, fashion, i.e. through his birth in the course of nature." (§ 280).

Neither the determination of ethical substance nor the determination of the monarch can withstand Marx's criticism. Ethical substance which is understood as the 'second nature' which is only real as a specific interpretation of the good life, in other words, as a specific tradition, clashes with the person's universal freedom in the market. In his *Kritik des Hegelschen Staatsrechts*, Marx rightly makes fun of the notion of the individual who is "naturally" predestined to be a monarch.¹⁹⁷

I think that Marx's criticism of Hegel is justified to the extent that Hegel unjustifiably identifies naturalness with finitude. The modern state has overcome its naturalness. While it is true that the good life which is realized in the real state can be indicated as the 'second nature' because it always concerns a contingent tradition, Hegel himself demonstrates that this contingency is overcome in the modern state. The individuals who serve the second nature as bondsmen are internally free: after all, they can only be servants if they are masters of their own instincts (see Chapter 1) This internal freedom is explicated in the modern state. The citizens of the modern state conceive of the good life as a historically specific interpretation of the realization of freedom. The contingent achievement of the good life can only be understood as a finite form in which absolute content (freedom, human rights) is realized.

The naturalness of the monarch can also easily be reinterpreted in contemporary society as the finitude of the head of the state, and can be tied to a democratic political order. Ultimately, there has to be an individual who represents the unity of the state as the 'highest will'. It is only important that *this* individual expresses the general will. *What* this general will implies (and how it results from a multitude of mediating institutions) is independent of the individual who is chosen as head of state. Only his finitude as individual is relevant, not his determinedness as a particular and natural individual.

Nevertheless this does not mean that 'naturalness' plays no role at all at the level of the state. After all, the sustainable society is not only a society of finite individuals, but especially of finite individuals who are also natural. The sustainable society must not only reproduce the conditions of the good life, but also the conditions of *life*. Environmental factors have to remain within the range which is compatible with life.

The above mentioned demand seems to be met in the conception of the bio-based society.¹⁹⁸ A bio-based society is understood as a society which is

197 Karl Marx, *Kritik des Hegelschen Staatsrecht*, MEW I, Berlin 1956, p. 235: "Hegel hat bewiesen, dass der Monarch geboren werden muss, woran niemand zweifelt, aber er hat nicht bewiesen, dass die Geburt zum Monarchen macht."

198 See: <http://www.biobased-society.nl/>.

fully in harmony with its environment. Utilized raw materials can be recycled, and the production process leaves the values of environmental factors (temperature, air quality, water quality, and so on) untouched. Nevertheless, there are some considerations which cause this approach to fall short:

1. While it is true that the maintenance of life requires the stabilization of certain natural variables within the range that is compatible with life, in the contemporary globalized world no state has the (legislative) power to accomplish this. Only if a global legal order is developed does the possibility of such stabilization appear.
2. Even under the conditions of a global legal order, the manner in which the variables of the natural environment must be stabilized cannot be imposed from above. In a free society, the determination of the good life is mediated by subjective choice, which in its turn can only be facilitated with the help of the free market. The free market can only be replaced by centralized planning at the cost of individual freedom.
3. The modern production process develops itself through a dynamic process of ongoing innovation. The possibilities offered by such innovation can only partially be foreseen. Innovation can result in new use values or can alter the environmental load of the production process. In both cases, the influence that innovation has on the attempt to limit natural variables to the range which is compatible with life is unclear.

This criticism of the bio-based society seems to affirm Marx's criticism of capitalism at a higher (international) level. The free market cannot be brought into accordance with a specific conception of the good life (especially a conception of the good life which incorporates a plea for a sustainable society). While it is true that it must be acknowledged that the free market presupposes the state at national level, because without the state (and its interpretation of the good life) it is impossible to determine which goal production serves, it must also be acknowledged that international competition and ongoing globalized innovation undermine the boundaries of the nation state. The international market seems to overrule the local determination of the good life and, therefore, seems to demolish its attempts to safeguard the sustainable society. As a consequence, Marx's determination of value also returns. Value can no longer be determined as use value as such (because it is not related to the good life); rather, it is exchange value, and expresses 'abstract labor'. In this case, however, we are not talking about 'abstract labor' in the Marxist sense (mechanical labor), but rather about 'abstract labor' in the sense developed in Chapter 7, that is, the 'general insight of natural science'. Nonetheless, this

conclusion is untenable. It would only acquire legitimacy if the international legal order were to fail. In the next section, however, it will be argued that the modern state is internally related to an international legal order (which, of course, may not be fully developed).

The Modern (Self-Conscious) State and Its Internal Relation to the International Legal Order

As participants in civil society and as employees of modern companies, the citizens of the modern state are involved in a process of education in which they pass through a practical Copernican turn (Chapter 7). Through this process of education, they become aware that the world they are living in (the 'second nature') is a contingent expression of a pure, 'subjective' essence: scientific insight into nature. They know that the specific content of the second nature is mediated by the subjective freedom of the modern individual. The public discourse between free individuals is institutionally anchored and leads, via mediating institutions, to political decision-making which results in legislation that underlies the actual interpretation of the good life. Therefore, modern citizens have insight into the universal moral principles underlying the modern state: human rights and democracy. I interpret the principle of human rights as the universal norm that each human individual has to be considered as a free being (person), who therefore has a duty to realize himself as person and to recognize others as persons. From this, the second universal moral principle follows: democracy. Since all are free and equal and have the duty to realize their freedom (namely in the 'second nature' of the good life), this realization can only be performed via the mediation of democratic institutions which guarantee that the realization of freedom expresses the freedom of all.

If both principles underlying the modern state (human rights and democracy) are taken seriously, it seems to appear that the modern state can only exist as a world state. After all, the nation state is a confined community which excludes some persons and includes others. How can we do justice to the freedom of all if some are excluded? What remains of the principle of democracy if only citizens of the nation state have democratic rights and non-citizens are excluded? In fact, however, the world state is also only a contingent realization of the good life. Moreover, the existence or non-existence of the world state is historically contingent (*de facto*, the world state has never existed).

From a philosophical point of view, it is not the existence or non-existence of the world state that is the crucial problem, but rather the question as to how

universal freedom can most adequately be realized. It is clear that this realization cannot limit itself to the nation state, because all individuals who are not citizens of this nation state are excluded. However, this exclusion is overcome if each individual is a citizen of some nation state. The philosophically interesting question is how the international community of states could best serve the realization of freedom for all. This means that the nation state has to be determined in such a way that it is already internally related to the international community throughout. The internal relation between the nation state and the international community of states can be considered both from the perspective of the nation state (from below) and from the perspective of the international community (from above).

The Internal Relation of the Nation State to the International Community of States

Insofar as the production apparatus of the nation state produces goods and services not only in the service of the good life which acquires shape in this state, but also for the global market, the nation state cannot be considered to be a confined community with a fixed identity. The import from and export to the global market appear to be dependent on powers which transcend the nation state. The competition in the global market requires the ongoing reinterpretation of the good life.

The international orientation of the nation state is not only immediately expressed in the international character of the free market, but is also expressed indirectly, because the free market elicits a stream of immigration which results in the transformation of the modern state into a multicultural state. Myriad cultures acquire shape in communities of value which participate, in one way or another, in the political representation of parliament. Therefore, the political discussions of the national parliament and the national public space can anticipate the contradictions and discussions which are also at order in the international arena. In the multicultural nation state, processes of education are executed which prepare citizens for their role as world citizens. This learning process results in the development of a sensibility which functions as a matrix for the acceptance of an international legal order.

The identity of the nation state is already given as a contingent legal order throughout. This legal order determines the space within which economic activities must be enacted. Whether this leads to a production process which meets the demands of a sustainable society can generally, but not positively, be determined. We do not have the knowledge to precisely predict the load which

the earthly environment can endure. However, it is clear that the economies of the developed world do not meet the demands of the sustainable society if the environmental load per individual of the population is extrapolated to the environmental load which is assigned to all inhabitants of the earth. Therefore, it is at least important that the economic processes of innovation should meet the demand that they should lead to a reduced environmental burden. The effectiveness of this kind of demand, however, is undermined if it results in a reduction of the power of competition in the global market. This can only be prevented by international agreements which are embedded in an international legal order.

The Internal Relation of the International Legal Order to the Nation State

In contrast to the era of Hegel and Marx, the international legal order has to a certain extent been realized in our time. Most states have signed the charter of the United Nations, some states recognize the jurisdiction of the International Criminal Court in The Hague, global economic cooperation is institutionalized in the WTO (World Trade Organization), the IMF (International Monetary Fund) and in the meetings of the G8 and G20 countries, and conferences are periodically organized in an attempt to establish agreements about the protection of the environment or the eradication of poverty. The deficiency of the international legal order is, however, that there is no global power to enforce the observations of international law. At best, occasional coalitions are formed to execute UN resolutions in incidental cases with the help of military forces. Therefore, the reality of international law is ultimately dependent on the decisions of individual states.

This dependence of international law seems to undermine its status as *law*. International treaties concerning the environment or the fight against poverty rather seem to have a moral status. These treaties formulate ends which are morally essential or even morally demanded without guaranteeing the realization of these moral demands. Nonetheless, this does not mean that these kinds of international treaties have no influence at all on the real actions of states. The moral standards formulated in these international treaties influence the political debate which is executed at national level. The universal freedom underlying the specific interpretation of the good life at national level is implemented in a certain way in international treaties. Therefore, international treaties can be part of the political argumentation surrounding the revision of the interpretation of the good life at the national level.

The Adequate Determination of Value in a Globalized World

Marx rightly states that in a free society the production process must be self-consciously organized. Only then can justice be done to the rights of all and to the qualitative demands which are made upon the sustainable society. However, we have also observed that the self-consciously organized production process cannot be established without the free market. The self-conscious determination of the general interest has to be mediated by the determination of the particular interest. Without the free market, this mediation cannot be understood. However, Marx is correct in his assertion that the free market cannot be united with the self-conscious organization of production at the level of the nation state. The universality of the free person contradicts the particularity of the determination of the good life. The free market can only be united with the self-conscious production process if it is embedded in an international legal order. However, in this case too, the general good which is realized within the framework of the international legal order has to be mediated by the particular good at the level of the nation state.

We have witnessed the manner in which national and international legal orders are interwoven. Self-conscious production only acquires meaning at the level of world history, namely as the attempts of the nation states to develop an international legal order which does justice to the realization of the freedom of all persons. Only within this framework can justice be done to the adequate determination of the value of commodities and services. On the one hand, values are determined as use values as such, and, on the other hand, use values are not determined by appealing to a fixed tradition. After all, the striving of world history is oriented towards the ongoing overcoming of concrete tradition, in order to bring this increasingly into harmony with the freedom of all.

In fact, this self-conscious process of world history can be considered to be the contemporary version of Hegel's *Absolute Spirit*. The absolute spirit can be understood as the expression of Hegel's basic model of society, the lord/bondsman relation. The human being serves human law as bondsman. Human law is the historically specific interpretation of the 'lord'; in other words, of pure freedom. The absolute spirit which realizes itself in world history is the pure freedom which exists in a finite form, namely as a multitude of constitutional states. The interaction between these states can be reconstructed as the process in which an attempt is made to realize pure freedom in a more adequate way. For Hegel, this process was a purely practical process which was performed "behind the backs" of its executors, namely the individual nation states. In our era, world history develops itself in the form of international law, and has become self-conscious. The governments of the nation states are

aware that the constitution is a historically specific realization of pure freedom (human rights and democracy) and self-consciously attempt to develop a better interpretation and realization of the good life in the framework of international law. The demands of the sustainable society are part of the criteria for evaluating whether a new interpretation of the good life better serves the realization of freedom.

Conclusion

Marx is correct when he claims that an adequate, non-alienated determination of value is impossible at the level of the nation state. The contradiction between the universal freedom of the person and a particular interpretation of the good life cannot be overcome. This contradiction expresses itself in the relation between exchange value (in which universal content—abstract labor—appears) and use value (which is only meaningful in relation to a particular tradition). This contradictory relation between exchange value and use value (under the conditions of the capitalist free market) manifests itself in the repression of use value's independent quality: in the market, use value only functions as the appearance of use value. Ultimately, the repression of use value comes down to the repression of the person as an end in itself, namely as the person to which all use values refer. The person is only relevant as the universal, interchangeable person—the person as the bearer of exchange value. The replacement of the absolute person by the interchangeable person corresponds to the replacement of freedom by a lack of freedom. The subject of use value is the free subject who has the ability to interpret nature as second nature, that is, as the good life. The subject of exchange value is the subject of mechanical labor who lacks freedom.

Marx is incorrect in his analysis of capitalist society in terms of the free market model. The free market already presupposes the political order of the state throughout. Moreover, the process of education evoked by the relations of the market does not result in the separation of intellectual and manual labor, but rather in self-conscious laborers who are able to integrate technological innovations into their labor community. Under these conditions, exchange value and use value are no longer in conflict. The general essence which underlies exchange value, however, must not be understood as 'abstract labor', but rather as the general (scientific and technological) insight into nature, as the free relation to nature which facilitates the discovery of more and more possibilities for the utilization of nature. The use values are recognized as a particular historical form in which the universal insight into nature appears.

Nevertheless, Marx's criticism concerning the determination of value in the free market seems to recur when the nation state is situated in the context of other states, and when the free market becomes a global market. The accomplishment of the global market seems to make "technology and science" an ideological force which generates ongoing innovation and the ongoing introduction of new use values, which are not in the service of the good life at the level of the nation state, and which are incompatible with the demands of the sustainable society. This 'second order' Marxism, however, can be rejected under the conditions of the contemporary self-conscious state. The self-conscious state is fundamentally embedded in an international legal order which offers room to develop the reinterpretation of the good life in accordance with the demands of the sustainable society.

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